

INTERNATIONAL

INTERNATIONAL

Herald Tribune

Published with The New York Times and The Washington Post

PARIS, MONDAY, JULY 19, 1971

Established 1887

WEATHER... PARIS... 73-77... Tomorrow... Yesterday...

Subscription rates... 10¢ per copy... 1 year \$10.00...

No. 27,528



IN THE SWIM—Several thousand Chinese soldiers take to the Yangtze Friday, the fifth anniversary of the fabled swim by Communist party chairman Mao Tse-tung. In his 1966 feat, it was reported that Mr. Mao covered 3.3 miles in 65 minutes, swimming downstream from the Wuchang Dikes on the Yangtze. Soviet and Western newspapers scoffed at the claim, noting that his speed, the equivalent of 252 yards a minute, is twice the world's record for the 230-yard distance—not bad, they said, for a man who was then 72 years old.

After Five-Day Battle Jordan Defeats the Guerrillas; Massacre, Rout Are Reported

From Wire Dispatches BEIRUT, July 18—A battle which began Tuesday between Jordanian troops and Palestinian guerrillas appeared ended today in North Jordan. There were conflicting accounts about the start of the fighting and about its finish, but despite the propagandistic tinge it was clear that King Hussein's troops had won a major victory. A Jordanian spokesman said that the peace pact reached last fall in Cairo was now invalid.



ROYAL SOLDIER—Jordan's King Hussein jumps from a Patton tank during maneuvers near Amman recently.

ed that Iraq had severed diplomatic relations with Jordan, closed the border and barred Jordanian aircraft from flying over Iraqi territory. The radio said the action was taken because Jordan had renounced the Cairo agreements with the Palestinians. The Sudan government added the denunciation of Jordan. A broadcast by the Omdurman radio heard in Cairo said that the Jordanian Army attacks against the guerrillas were "a serious crime which all Arab governments and people should speedily condemn."

The Jordanian spokesman in Amman said in response to a question that there was no new agreement with the commandos and that there would not be any. "The time has gone when the

Arab guerrilla leaders take major steps toward unity, apparently rallying behind Yasser Arafat. Story, Page 2.

commandos could act according to their whim," he stated. "The time has come for the state to determine the areas where they must stay. They must also respond to the state's instructions."

Egypt's Middle East News Agency reported from Beirut, meanwhile, that Syrian authorities had set up aid stations in north Jordan to treat wounded guerrillas. Some injured fighters have already been moved to the Syrian capital, Damascus, the news agency said, for hospital care.

A Syrian peace-mediation team was said to have continued into the third day its negotiations with Jordanian officials in Amman. The team from Syria is a military delegation, it was reported.

Jordan said that the battle—in the now-calm area of Jerash and Ajlun—began when government troops tried to move guerrillas from populated to uninhabited areas. The government (Continued on Page 2, Col. 7)

Nixon's China Trip

Peking Paper Prints 7 Lines on Visit, Then Ignores It

By James Reston

PEKING, July 18 (NYT)—The Chinese government seems to be making less fuss over President Nixon's forthcoming trip to Peking than most other governments in the world. The Peking daily Jiefan Jih

the comments of President Nixon and Henry A. Kissinger on it. The Peking radio merely read the official communique Friday and then dropped the subject yesterday in favor of a long generalization of "American imperialism" and "Japanese militarism."

at Peking University seem wary about discussing what for them is a surprise development. For years they have been urged from billboards and propaganda tracts to "unite and defeat the United States aggressors and oil their running dogs," so the switch leaves them cautious if not speechless.

intention that might finally lead to normalization of relations between Washington and Peking. President Nixon, then, noted, must have known that so dramatic an American diplomatic initiative would encourage many wavering nations to support the mounting drive to expel Nationalist China from the United Nations and give its seat to the Peking government.

'Unusual, Not Unexpected,' Says Moscow

MOSCOW, July 18 (UPI)—A newspaper today made the first Soviet commentary on President Nixon's projected visit to Peking by describing the news as "unusual, although not particularly unexpected."

and government thus appeared to be following a policy of soft, slow reaction through the official press—nothing in Pravda, but a brief expression of cool suspicion from Komsomolskaya Pravda.

controlled propaganda organ of wide circulation and Mr. Yefremov's views could not stray from official policy. His comment that the latest Washington-Peking moves were "not particularly unexpected" contradicted some Moscow diplomats who said that the Russians had been much surprised.

Aside from this awkward dilemma over who should represent China in the UN, and what seems to be rising campaign here against "United States-Japanese militarism," the timing of the President's move seems ideal. The general tone of official talk here is moderate and even friendly. Chinese Foreign Office officials go out of their way to say that China is a big but poor country, not a superpower and with no ambitions to be one. They say the Chinese want what is theirs—mainland Taiwan—but that Peking can wait. They say Peking does not want war and could not impose its social and political system on Southeast Asia if it wanted to.

Viet Cong Insist Paris Talks Can Achieve Peace in Vietnam

By Henry Gimiger

PARIS, July 18 (NYT)—A spokesman for the Viet Cong delegation declared yesterday that the Paris peace talks were still offering the best means of settling the Vietnamese war.

The spokesman, Duong Dinh Thuan, sought to counter recent reports that Communist China favored an international meeting along the lines of the 1954 Geneva Conference, which ended the French Indochina war.

He said: "Our position for the settlement of the South Vietnamese question, detailed in our declaration of seven points, arises from the aspirations of our people and the situation of our country." "The Chinese People's Republic," he continued, "sustains our patriotic fight against American aggression. Premier Chou En-lai and the government of the Chinese People's Republic have just declared clearly again that the Chinese government and people firmly support our seven-point peace plan."

Unless one gets to the top of the Chinese government, however, it is hard to get dependable information. Even the Foreign Office was not told about the mission by Mr. Kissinger, President Nixon's adviser on national security, and apparently it has yet to be filled in on his talks with Premier Chou. The diplomatic press was given no advance information about the joint communique.

IRA Gunmen Blast Presses Of a Newspaper in Belfast

BEIRUT, July 18 (UPI)—Raiders armed with submachine guns and pistols invaded the Belfast plant of the Daily Mirror yesterday, herded the staff into the toilets and bombed the printing presses, police said.

Fourteen men, with stocking masks over their faces and brandishing Thompson submachine guns and pistols, charged into the nationally circulated British newspaper's plant at Suffolk, on the outskirts of the Northern Irish capital, overpowered the watchmen and forced the 13 workers into toilets and shower rooms.

They then placed a bomb of about 20 pounds of gelignite in the process at the building's rear, piled into three vehicles and sped away, police said.

The bomb exploded 20 seconds later, wrecking the presses, blowing out windows and damaging much of the ground floor. "It was a pretty expensive blast," a police spokesman said.

747 Goes Off Runway

SYDNEY, July 18 (UPI)—A Pan American World Airways 747 with 275 passengers and 15 crew aboard overshot a runway at Mascot Airport today and dug down four feet into the sand 80 yards from Cooks River. No one was injured.

Washington, possibly enchanted now by its flirtation with Peking, risks missing this chance," it said. Pravda, the most authoritative newspaper of Communist party opinion, reported a few more details of the Kissinger and Nixon visits today but added not a word of commentary.

Neither the South Vietnamese nor the Viet Cong delegation have commented directly on President Nixon's projected visit to Peking. French observers have noted some nervousness and annoyance on the part of the delegations in recent months as Chinese-American relations have improved.

Mr. Thao declared that it was the fault of the United States if the Paris talks were deadlocked.

Egypt, Libya Decry Jordan And Morocco

CAIRO, July 18 (NYT)—Eedling a three-day meeting to discuss new rifts in the Arab ranks, President Sadat of Egypt, Col. Moamer Kaddafi of Libya and delegations from Syria and the Sudan last night condemned the Jordanian Army represented "flagrant violations" of last year's accords between the two sides.

The talks were held in Mersa Matruh, a resort town west of Alexandria on the Mediterranean. A communique made public last night expressed "deep concern" about the situation in Morocco "where people are being killed without trial."

This clearly was an allusion to the shooting of at least ten military officers accused as leaders of the attack on a seashore palace on Saturday, July 10, while King Hassan II was celebrating his 42d birthday.

The communique also condemned "extraordinary measures under which the Moroccan people live."

IRA Gunmen Blast Presses Of a Newspaper in Belfast

BEIRUT, July 18 (UPI)—Raiders armed with submachine guns and pistols invaded the Belfast plant of the Daily Mirror yesterday, herded the staff into the toilets and bombed the printing presses, police said.

Fourteen men, with stocking masks over their faces and brandishing Thompson submachine guns and pistols, charged into the nationally circulated British newspaper's plant at Suffolk, on the outskirts of the Northern Irish capital, overpowered the watchmen and forced the 13 workers into toilets and shower rooms.

They then placed a bomb of about 20 pounds of gelignite in the process at the building's rear, piled into three vehicles and sped away, police said.

The bomb exploded 20 seconds later, wrecking the presses, blowing out windows and damaging much of the ground floor. "It was a pretty expensive blast," a police spokesman said.

Wilson Assails EEC Terms, But His Labor Foes See Gain

LONDON, July 18 (NYT)—Harold Wilson yesterday attacked the terms negotiated by the Conservative British government for entry into the European Economic Community.

Mr. Wilson, leader of the Labor opposition, stopped just short of saying outright that he will now oppose entry. But no one hearing him was left in any doubt that he will shortly declare himself against it.

As prime minister four years ago, Mr. Wilson committed himself strongly to joining the Common Market, but he has gradually changed his tone since losing the election a year ago. He is now expected to complete his turnabout on July 28, when he will disclose his position.

The Wilson speech wound up a special one-day Labor party conference on the issue of Europe. The meeting's mood, like his, was negative. The loudest applause came for speakers opposed to the market.

IRA Gunmen Blast Presses Of a Newspaper in Belfast

BEIRUT, July 18 (UPI)—Raiders armed with submachine guns and pistols invaded the Belfast plant of the Daily Mirror yesterday, herded the staff into the toilets and bombed the printing presses, police said.

Fourteen men, with stocking masks over their faces and brandishing Thompson submachine guns and pistols, charged into the nationally circulated British newspaper's plant at Suffolk, on the outskirts of the Northern Irish capital, overpowered the watchmen and forced the 13 workers into toilets and shower rooms.

They then placed a bomb of about 20 pounds of gelignite in the process at the building's rear, piled into three vehicles and sped away, police said.

The bomb exploded 20 seconds later, wrecking the presses, blowing out windows and damaging much of the ground floor. "It was a pretty expensive blast," a police spokesman said.

IRA Gunmen Blast Presses Of a Newspaper in Belfast

BEIRUT, July 18 (UPI)—Raiders armed with submachine guns and pistols invaded the Belfast plant of the Daily Mirror yesterday, herded the staff into the toilets and bombed the printing presses, police said.

Fourteen men, with stocking masks over their faces and brandishing Thompson submachine guns and pistols, charged into the nationally circulated British newspaper's plant at Suffolk, on the outskirts of the Northern Irish capital, overpowered the watchmen and forced the 13 workers into toilets and shower rooms.

They then placed a bomb of about 20 pounds of gelignite in the process at the building's rear, piled into three vehicles and sped away, police said.

The bomb exploded 20 seconds later, wrecking the presses, blowing out windows and damaging much of the ground floor. "It was a pretty expensive blast," a police spokesman said.

IRA Gunmen Blast Presses Of a Newspaper in Belfast

BEIRUT, July 18 (UPI)—Raiders armed with submachine guns and pistols invaded the Belfast plant of the Daily Mirror yesterday, herded the staff into the toilets and bombed the printing presses, police said.

Fourteen men, with stocking masks over their faces and brandishing Thompson submachine guns and pistols, charged into the nationally circulated British newspaper's plant at Suffolk, on the outskirts of the Northern Irish capital, overpowered the watchmen and forced the 13 workers into toilets and shower rooms.

They then placed a bomb of about 20 pounds of gelignite in the process at the building's rear, piled into three vehicles and sped away, police said.

The bomb exploded 20 seconds later, wrecking the presses, blowing out windows and damaging much of the ground floor. "It was a pretty expensive blast," a police spokesman said.

IRA Gunmen Blast Presses Of a Newspaper in Belfast

BEIRUT, July 18 (UPI)—Raiders armed with submachine guns and pistols invaded the Belfast plant of the Daily Mirror yesterday, herded the staff into the toilets and bombed the printing presses, police said.

Fourteen men, with stocking masks over their faces and brandishing Thompson submachine guns and pistols, charged into the nationally circulated British newspaper's plant at Suffolk, on the outskirts of the Northern Irish capital, overpowered the watchmen and forced the 13 workers into toilets and shower rooms.

They then placed a bomb of about 20 pounds of gelignite in the process at the building's rear, piled into three vehicles and sped away, police said.

The bomb exploded 20 seconds later, wrecking the presses, blowing out windows and damaging much of the ground floor. "It was a pretty expensive blast," a police spokesman said.

IRA Gunmen Blast Presses Of a Newspaper in Belfast

BEIRUT, July 18 (UPI)—Raiders armed with submachine guns and pistols invaded the Belfast plant of the Daily Mirror yesterday, herded the staff into the toilets and bombed the printing presses, police said.

Fourteen men, with stocking masks over their faces and brandishing Thompson submachine guns and pistols, charged into the nationally circulated British newspaper's plant at Suffolk, on the outskirts of the Northern Irish capital, overpowered the watchmen and forced the 13 workers into toilets and shower rooms.

They then placed a bomb of about 20 pounds of gelignite in the process at the building's rear, piled into three vehicles and sped away, police said.

The bomb exploded 20 seconds later, wrecking the presses, blowing out windows and damaging much of the ground floor. "It was a pretty expensive blast," a police spokesman said.

IRA Gunmen Blast Presses Of a Newspaper in Belfast

BEIRUT, July 18 (UPI)—Raiders armed with submachine guns and pistols invaded the Belfast plant of the Daily Mirror yesterday, herded the staff into the toilets and bombed the printing presses, police said.

Fourteen men, with stocking masks over their faces and brandishing Thompson submachine guns and pistols, charged into the nationally circulated British newspaper's plant at Suffolk, on the outskirts of the Northern Irish capital, overpowered the watchmen and forced the 13 workers into toilets and shower rooms.

They then placed a bomb of about 20 pounds of gelignite in the process at the building's rear, piled into three vehicles and sped away, police said.

The bomb exploded 20 seconds later, wrecking the presses, blowing out windows and damaging much of the ground floor. "It was a pretty expensive blast," a police spokesman said.



Mission Discussed Last Month

Space Linkup by U.S., Russia Now Being Seriously Weighed

By John Noble Wilford

WASHINGTON, July 18 (AP).—The United States is seriously considering a plan to launch a manned Apollo spacecraft into orbit to link up with a Soviet Salyut space station...

The first Salyut space station was launched last April and is still orbiting the earth. It was occupied for nearly 23 days last month by the three Soyuz-11 astronauts...

The Apollo-15 will be the longest of the Apollo series, featuring three lunar surface excursions and the use of a four-wheeled lunar vehicle to transport...

Men Arrested in Airliner Bomb Extortions in U.S.

NEW YORK, July 18 (AP).—Two men were arrested as they attempted to receive a \$50,000 payoff for a bomb threat against a New York City airliner...

Rogers' Deputy Lands in London

LONDON, July 18 (Reuters).—John N. Irwin, United States ambassador to the United Kingdom, arrived in London today to address a conference of the American Bar Association...

Coney Island Will Sue Navy Over Oil Spill

NEW YORK, July 18 (UPI).—The Coney Island Chamber of Commerce announced yesterday that it would file a \$1-million damage suit against the Navy for an oil spill off Coney Island...

U.S. Sets Up Ocean Office

WASHINGTON, July 18 (AP).—The U.S. Defense Department Friday announced the establishment of an Office of Ocean Affairs and named Under Secretary of the Navy John W. Warner to be its first director.

U.S. Newsmen's Union Wants Mitchell Out

BOSTON, July 18 (AP).—The American Newspaper Guild convention here has called for the resignation of Attorney General John N. Mitchell. The 200 delegates approved unanimously a resolution accusing Mr. Mitchell of an "attack on the constitutional guarantees of free press and free speech..."



EPIDEMIC VICTIMS—A workman on a ranch in Texas gets ready for the grim job of removing the carcasses of two horses killed by the raging equine encephalomyelitis.

U.S. to Siphon Farm Funds Into Fight on Horse Epidemic

HOUSTON, July 18 (UPI).—U.S. Secretary of Agriculture Clifford M. Hardin said late Friday that the outbreak of Venezuelan equine encephalomyelitis in Texas has become an agriculture emergency. He promised massive federal aid to try to halt the disease, which is rapidly spreading through Texas toward other states.

The sleeping sickness, which moved into Texas from Mexico earlier this month, killed 800 horses in Texas last week, and 1,000 were dying. State and federal officials were unsure how many horses had caught the disease, which affects the animals' brains, causing them to die from nervous exhaustion.

Mills Says Nixon Errs in Refusing To Spur Economy

OGDEN, Utah, July 18 (UPI).—Rep. Wilbur D. Mills, D., Ark., accusing President Nixon of making a "serious and costly mistake" in refusing to change his economic policies, has called for tax cuts and reduced federal spending to lift the nation from a "recession."

Agnew Praises African Heads But Chides Some U.S. Blacks

MADRID, July 18 (UPI).—Vice-President Agnew delivered yesterday a broad indictment of unidentified black leaders in America, calling them "querulous" and saying they had much to learn from the African officials he had met on his worldwide tour.

6 Negro GIs Charged in South Korea Riot

SEOUL, July 18 (AP).—Six American soldiers have been charged with "willful destruction of properties" in connection with a riot July 9 involving black soldiers and South Koreans near Camp Humphreys, south of Seoul.

Ex-Gov. Barron Of W. Va. Given 12 Years for Bribery

CHARLESTON, W. Va., July 18 (UPI).—Former Gov. William Wallace Barron was sentenced Friday to 12 years in prison and fined \$50,000 for bribing a federal juror.

Italian Wolves Spared

ROME, July 18 (UPI).—Agriculture Minister Lorenzo Natali has announced a total ban on hunting wolves until Dec. 31, 1973. He said the animal was in danger of extinction in Italy.

Rail Walkout Goes On

U.S. Mail Strike Threatened, But Talks Show 'Progress'

WASHINGTON, July 18 (UPI).—The government's top labor troubleshooter reported "considerable progress" today in contract talks for the nation's 750,000 postal workers. He was less optimistic about negotiations to end a three-day strike against two major railroads.

U.S. Refugee Airlift in India Ends at New Delhi's Request

NEW DELHI, July 18 (Reuters).—The American airlift of East Pakistani refugees away from the border areas of India ended today at the request of the Indian government, a United States Embassy spokesman said.

Men Arrested in Airliner Bomb Extortions in U.S.

NEW YORK, July 18 (AP).—Two men were arrested as they attempted to receive a \$50,000 payoff for a bomb threat against a New York City airliner...

Agnew Marks Anniversary Of Start of Spain's Civil War

MADRID, July 18 (UPI).—Symbolizing the increasingly warm friendship between the United States and Spain, Vice-President Spiro T. Agnew today became the highest-ranking American to celebrate the 1936 uprising which brought Generalissimo Francisco Franco to power.

Mills Says Nixon Errs in Refusing To Spur Economy

OGDEN, Utah, July 18 (UPI).—Rep. Wilbur D. Mills, D., Ark., accusing President Nixon of making a "serious and costly mistake" in refusing to change his economic policies...

6 Negro GIs Charged in South Korea Riot

SEOUL, July 18 (AP).—Six American soldiers have been charged with "willful destruction of properties" in connection with a riot July 9 involving black soldiers and South Koreans near Camp Humphreys...

Ex-Gov. Barron Of W. Va. Given 12 Years for Bribery

CHARLESTON, W. Va., July 18 (UPI).—Former Gov. William Wallace Barron was sentenced Friday to 12 years in prison and fined \$50,000 for bribing a federal juror.

Italian Wolves Spared

ROME, July 18 (UPI).—Agriculture Minister Lorenzo Natali has announced a total ban on hunting wolves until Dec. 31, 1973. He said the animal was in danger of extinction in Italy.

Phone Strikers Get Company To Install Phone

DULUTH, Minn., July 18 (AP).—Berway Swanson, president of Local 7214 of the Communications Workers of America, set up strike headquarters in the Duluth Labor Center Wednesday for 400 members who walked out.

U.S. Refugee Airlift in India Ends at New Delhi's Request

NEW DELHI, July 18 (Reuters).—The American airlift of East Pakistani refugees away from the border areas of India ended today at the request of the Indian government...

Men Arrested in Airliner Bomb Extortions in U.S.

NEW YORK, July 18 (AP).—Two men were arrested as they attempted to receive a \$50,000 payoff for a bomb threat against a New York City airliner...

Agnew Marks Anniversary Of Start of Spain's Civil War

MADRID, July 18 (UPI).—Symbolizing the increasingly warm friendship between the United States and Spain, Vice-President Spiro T. Agnew today became the highest-ranking American to celebrate the 1936 uprising...

Mills Says Nixon Errs in Refusing To Spur Economy

OGDEN, Utah, July 18 (UPI).—Rep. Wilbur D. Mills, D., Ark., accusing President Nixon of making a "serious and costly mistake" in refusing to change his economic policies...

6 Negro GIs Charged in South Korea Riot

SEOUL, July 18 (AP).—Six American soldiers have been charged with "willful destruction of properties" in connection with a riot July 9 involving black soldiers and South Koreans near Camp Humphreys...

Ex-Gov. Barron Of W. Va. Given 12 Years for Bribery

CHARLESTON, W. Va., July 18 (UPI).—Former Gov. William Wallace Barron was sentenced Friday to 12 years in prison and fined \$50,000 for bribing a federal juror.

Italian Wolves Spared

ROME, July 18 (UPI).—Agriculture Minister Lorenzo Natali has announced a total ban on hunting wolves until Dec. 31, 1973. He said the animal was in danger of extinction in Italy.

MICHEL SWISS PERFORMS-GLOVES BAGS-TIES-GIFTS SPECIAL EXPORT DISCOUNT 18 Rue de la Paix - PARIS

FREDDY PERFUMES GLOVES - BAGS - GIFTS 10 RUE AUBER, PARIS SPECIAL EXPORT DISCOUNT Phone: RUC 74-05

FROM ANTWERP BELGIUM the DIAMOND for you Now buy a Diamond at better than wholesale prices from a first source than located at the Diamond center of the world! finest quality Diamonds at wholesale prices to you. Buy a Diamond for yourself, your wife, gifts, or personal use. I will let you know how to buy!

Speed of Light William Lawson's Light Scotch Whisky was first enjoyed over 120 years ago by people who should know more about Scotch than anyone. The Scots themselves. So it shouldn't surprise you to find that its light and mellow taste goes down splendidly with your friends. Remember they've never had anything like William Lawson's Light Scotch before. Maybe they're just making up for lost time.



57 Are Arrested

Exodus of Hippies From Ibiza; Police Fire in Air During Clash

IBIZA, Balearic Islands, July 18.—Police clashed Friday night with an estimated 300 hippies on this sunny Mediterranean island and arrested 57, including some Americans, after firing shots in the air.

Helen Hull, U.S. Author, Is Dead at 83

NEW YORK, July 18 (NYT).—Helen Hull, 83, the author of 20 novels who was emerita professor of English at Columbia University, died Thursday in St. Barnabas Hospital.

Persian Gulf States Set Up A Federation

DUBAI, July 18 (Reuters).—Rulers of six of the seven Trucial States on the Persian Gulf agreed today to establish a federation of their Arab emirates aimed at ensuring political and economic stability after Britain's military withdrawal at the end of this year.

Death for Russian Who Headed Nazi Execution Squad

MOSCOW, July 18 (AP).—One Russian has been sentenced to death and another six have received stiff labor-camp terms for cooperating with World War II Nazi occupation troops, it was reported.

Nigeria Holds Public Execution For 12 Criminals

LAGOS, Nigeria, July 18 (AP).—Army firing squads in three cities publicly executed 12 convicted armed robbers yesterday as part of the government's crackdown on crime.

Italian Rail Unions Cancel 1-Day Strike

ROME, July 18 (Reuters).—Italy's railroad unions today called off a 24-hour national strike scheduled to start tomorrow night after obtaining a government promise to increase the number of railway workers by 11,000 men.



GRACEFUL LADY—In Chicago to champion breastfeeding, Princess Grace of Monaco told applauding mothers that it was the best way to encourage family unity and help fight "the current wave of public indecency."

Duped Into Attacking Palace, Four Moroccan Cadets Assert

RABAT, July 18 (Reuters).—Four Moroccan Army cadets who took part in the abortive coup against King Hassan II's regime last Saturday said here last night they thought they were going on maneuvers before they were ordered to attack the king's seaside palace at Skirat, near Rabat.

Rome, Vienna Act to Solve Border Issues

ROME, July 18 (NYT).—Italy and Austria signed a treaty here yesterday under which future disagreements over the predominantly German-speaking Italian region of Alto Adige (South Tyrol) will be referred to the International Court of Justice at The Hague.

20 Japanese Miners Killed In Explosion

SAPPORO, Japan, July 18 (UPI).—An underground blast apparently caused by gas leakage ripped through a coal mine northeast of here yesterday on Japan's northernmost island of Hokkaido.

Rail Crash Kills 15 at Sarajevo

SARAJEVO, Yugoslavia, July 18 (AP).—Fourteen vacationing schoolchildren and their teacher were killed yesterday when a special school holiday train ramed into the front of a stationary freight train at Semizovci station, near here.

Fire in Belfast Kills 3

BELFAST, July 18 (AP).—Three persons—two of them Canadian tourists—died in a fire which swept two floors of a Belfast hotel early today.

British Order To Cut Taxes Is Due Today

LONDON, July 18 (NYT).—Government measures to stimulate the lagging British economy are expected to be announced tomorrow by Chancellor of the Exchequer Anthony Barber, official sources indicated.

Athens Says NATO Pact Binds U.S. to Military Aid

ATHENS, July 18 (NYT).—The military-backed Greek government asserted yesterday that U.S. defense aid to Greece was an obligation under binding decisions of the North Atlantic Treaty Organization council.

Mexican Private Kills Four in Barracks

TJUANA, Mexico, July 18 (AP).—A soldier who had said he was depressed over a love affair sprayed an army barracks with automatic rifle fire, killing four and wounding two others before he was shot to death.

Best thing after 'escargots'

Advertisement for 'escargots' (snails) featuring a bottle of sauce and text: 'Dremoland Castle... You'll live like a king in our castle in Ireland...'

Law Curbing Free Assembly Overruled by French Council

PARIS, July 18 (NYT).—France's Constitutional Council has declared unconstitutional a recent law placing restrictions on the right of free association.

Mexican Private Kills Four in Barracks

TJUANA, Mexico, July 18 (AP).—A soldier who had said he was depressed over a love affair sprayed an army barracks with automatic rifle fire, killing four and wounding two others before he was shot to death.

Best thing after 'escargots'

Advertisement for 'escargots' (snails) featuring a bottle of sauce and text: 'Dremoland Castle... You'll live like a king in our castle in Ireland...'

Marie Martine advertisement: 'NEW MODELS AUTUMN-WINTER COLLECTION Marie Martine 4, rue de Sévres - Paris-9'

ETERNAL SONIC advertisement: 'For the electronic age ETERNAL SONIC Electronic precision timekeeping'

PARIS AMUSEMENTS advertisement: 'LE BALLET DE L'OPERA au theatre des champs-Élysées'

the swan lake advertisement: 'BOOK THEATRE 225-44-36 FROM 11:00 TO 18:00 AND AGENCIES'

LIDO advertisement: 'Nightly at 11 p.m. and 1.15 a.m. Special rates for groups and parties'

AUTO MARKET advertisement: 'TRANSOL CAR SALES TAX FREE CARS'

TRANSOL CAR SALES advertisement: 'TAX FREE CARS ANY MAKE • insurance • shipment to all destinations'

TAX-FREE CARS advertisement: 'with U.S. or EUROPEAN specs AVAILABLE IMMEDIATELY'

AAA TOURS advertisement: 'CARS TOURS TICKETS PARIS: 9 Rue de la Paix, T. 973-33-08'

WHY PAY MORE advertisement: 'to ship your car & baggage? 35 years experience of worldwide services'

Tax-Free Cars of All Makes advertisement: 'DIPLOTOUR 129 Rue de la Paix, PARIS-1e - Tel. 973-33-08'

ALL NEW CARS advertisement: 'TAX-FREE SALES Fast delivery of U.S. and European models'

EURAUTO HOLLAND advertisement: 'for tax free-cars with most O.S.A. specifications in stock'

INTERCARS advertisement: 'Tax-free new & used cars and motorcycles All makes, all models.'

PEUGEOT advertisement: 'PEUGEOT 304, new U.S. spec., available for U.S. \$2,046...'

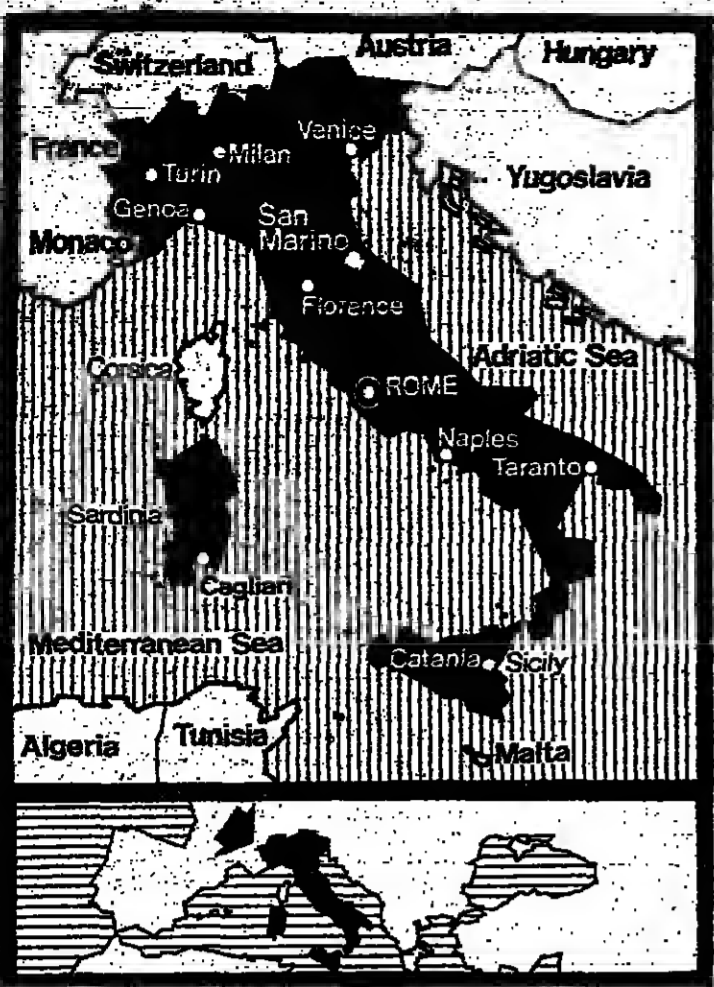
CHUNN advertisement: 'Est. 1925 Mennen, Aftershave (Frag.) PERFUMES'

Alan McAfee advertisement: 'MENS SHOES 38 DOVER ST. PICCADILLY 493 1771'

Dremoland Castle advertisement: 'You'll live like a king in our castle in Ireland Dremoland Castle, Drogheda, Co. Dublin, Ireland'



Handwritten text at the top center of the page.



# A Special Report on... The Italian Economy

*'Italy is reaching or has reached a low point, and things must soon reverse themselves... Toward fall things should look up again.'*  
An American Investor

## Output Falls as Labor Battles Management

**ROME**—The constant looking of horns that has characterized labor-management relations in Italy during the past year, and the subsequent walkouts by workers, has brought Italy to the brink of a recession, many observers feel.

Earlier this month, the Italian Minister for State Participation, Flaminio Piccoli, told a group of legislators, "The economic situation is currently at a low point never reached before now." Speaking before the budget commission of the Italian Chamber of Deputies, Mr. Piccoli said that a cause for particular concern is the decline in production since the fall of 1969 due to the frequent work stoppages resulting from a seemingly permanent battle between unions and management.

Even Budget Minister Antonio Giolitti, a Socialist, has laid a major share of the blame for Italy's present economic crisis squarely on the shoulders of labor and union activity. Addressing the same legislative group a few days earlier, Mr. Giolitti said that declining industrial production, under-utilization of plants and fewer hours worked throughout Italian industry during the first six months of 1971 have resulted in a "totally negative" year.

### Autumn Hopes

While Mr. Giolitti and other government and independent economists have been saying for several months that a true recession has not yet been reached, they also had been counting on a turnaround in the economy during the spring. Admitting that there is no hope for this now, Mr. Giolitti said that "all interest now shifts to September and what we hope will be the autumn revival."

The latest economic indicators clearly show that there was no spring rebound and that if anything the situation has gotten worse. Industrial production in May was 4.5 percent below that of the same month a year ago. That seems enough reason for apprehension. But even more alarming is that it continues a trend of declining production for the year. While the industrial production rate for the first three months of 1971 showed a gain over that of 1970 (a modest 2.2 percent), losses in April reduced the total rate for the four-month period to 2.3 percent under that of the same period in 1970. In May, the decline for the year dropped to about 2 percent.

The European Economic Community Commission, meanwhile, is forecasting an overall average increase of between 4 and 4.5 percent in industrial production for its members this year.

Mr. Giolitti also pointed out that plant utilization at the end of March had dropped to 78.4 percent from 81.2 percent of a year earlier. And he said the main reason for the decline was a reduction in the number of hours worked because of union agitation. This amounted to some 15,000,000 work hours lost due to strikes during the three-month period.

But while Giolitti cautioned against blaming labor unrest for all of the nation's economic ills, he said that it would be as great a mistake to hold that the present labor struggle isn't having a major negative impact on the economy.

one to strikes than the other EEC members. And in 1969 it set a record of 3,013 days lost per 1,000 workers, about 13 times the total amount lost by the other member nations. The number of work days lost in 1969 in Italy amounted to 37,824,000 compared with only 2,856,000 days in the other five nations.

And while this loss due to strikes dropped from the 1969 high during 1970 and during the early part of this year, a new labor tactic—absenteeism—began to spread across the economy, hitting hardest in the important automotive industry.

At Fiat, Italy's largest private

industry, absenteeism on the assembly lines averaged 12.5 percent in 1970 compared with an average of 4 to 5 percent three and four years ago. In manpower terms, that means that on an average day during 1970 about 18,000 workers failed to punch in at Fiat plants.

The company estimates that of the 35 million man-hours lost in 1970 about 30 million were attributable to absenteeism and only five million to strikes. That compares to 20 million man-hours lost in 1969 of which 12 million were due to strikes and only 8 million to "sickness."

In dollar terms, Fiat put the

cost of these phantom workers at about \$24 million annually.

There are many theories on the causes for this sharp increase in absenteeism. One often heard is that because of the salary gains made since 1969, more workers can afford an extra day off. Proponents of that theory point out that the "illness rate" increases the day before and the day after a holiday.

Another theory holds that because workers are now guaranteed 75 percent of their wages when unable to work because of sickness, many are finding it profitable to get second jobs to help make ends meet in the expensive industrial North.

Whatever the cause, the result is another blow to industrial production and another boost to the already rapidly rising cost of labor in Italy. In fact, union pressure over the past 18 months has sent average hourly wages up over 18 percent in the past year by official government figures. Confindustria, the Italian business confederation, claims the increase in labor costs is over 40 percent.

No matter which figure you accept, the thing that appears clear is that wages and related labor costs in Italy have risen more quickly since the autumn of 1969 than anywhere else in Europe. That has resulted in higher prices which in turn make Italian goods less competitive in foreign markets.

### Hotels' Woes

Italy's foreign trade balance is already deep in the red and getting worse. The 1970 deficit was the highest since 1963 and shows no signs of improving in 1971. Ordinarily, tourism, Italy's largest source of foreign income, would make up for any trade deficit and yield a payments surplus. But this year the tourism industry is having its own problems.

Giuseppe Galli, head of the Italian hotel association, recently proclaimed the tourist industry was in crisis and offered three reasons—labor unrest, pollution and increased prices. Hotel bookings for the first three

**ROME**—In spite of a production crisis that has thrown the Italian economy into its deepest and most sustained postwar slump, there is widespread conviction here that the decline has bottomed out and recovery is nearby. It is hoped that recent major labor settlements and emergency measures by the government will give the economy the adrenaline it has wanted for 18 discouraging months.

It is generally agreed that what is needed is a change in the prevailing mood of political and social uncertainty in Italy. Businessmen weary of mounting costs and declining profits, have increasingly shied away from new enterprise, and there are no clear signs that this widespread cautiousness is to change.

Alongside its Common Market neighbors, the recent performance of the Italian economy has been decidedly poor. Italy was the only EEC member-nation that did not record any increase in consumer spending or business activity during the first quarter of 1971. Production was down by 2.5 percent, and in some industries, such as the critical construction business, unemployment has spiraled upward.

Some of Italy's biggest enterprises have seen their balance sheets plunge into the red. Net income of the Fiat company plummeted by 60 percent last year, largely, says the company, because of a drastic drop in production caused by strikes. Lengby contract negotiations during the spring produced a new contract for the huge auto maker, but an interim report on its 1971 production shows that it is lagging again, by 2.5 percent compared with the first months of 1970.

### Tourism Loses Steam

Italy's big tourist industry, while not seriously declining, seems to have lost its steam. Resort hotels along the Adriatic coast report slackened bookings for the first time in years. Hotel owners say the northern Europeans who usually flock south for the sun seem disturbed by reports of strikes and pollution, and are opting for holidays in more tranquil settings.

Faced with this landscape of stagnated business and discouraged entrepreneurs, Christian-Democratic Premier Emilio Colombo recently announced a series of government emergency measures designed to boost flagging production. The costly (\$339 million) emergency package is aimed largely at helping small and medium-sized firms through credit assistance and reduction of social security payments.

The Colombo government, in spite of being one of the longest-lived in the postwar period, does not enjoy widespread confidence, mainly because of the deeds of its predecessors.

Italy has a monstrous public debt that puts strict curbs on the government's ability to seek public funding. Most public agencies show huge deficits. The state railway, for example, operates with a deficit of about \$660 million a year. The state electric company ENEL loses about \$240 million a year, and other agencies—post, telephone, and navigation—show similar losses.

### Mixture of Politics

Although Mr. Colombo has succeeded in strengthening the lira and cooling Italy's rampant inflation, his four-party coalition has foundered in its attempt to pass urgent social reforms. Mr. Colombo's reform package weathered months of negotiations with the three major union confederations, but has languished in parliament for five months.

"The responsibility for this (economic) situation falls on the Colombo government, which lacks an authentic reform strategy," says Republican party secretary Vito La Malfa. Another politician, Social-Democratic Undersecretary of Industry Giuseppe Amadei, says: "The economic crisis is due completely to the political situation in the country. I'm not for a stronger government, just for a government that governs."

Some have claimed that the alarm over the economic situation is purely a political gambit. Says Vito Scalia, a Christian Democrat who is general secretary of the CISEL, trade-union confederation, "The data do not justify this alarm and pessimism, which is being published for obvious reasons: It is hoped to cause panic in all the spheres of the Italian bourgeoisie, to win their support for a reactionary movement."

Nevertheless, figures released by ISTAT, the Italian government statistical institute, paint a gloomy picture of the state of the economy. Overall manufacturing production was down 4.1 percent during the first two months of 1971, compared with the same months of 1970. Building materials production had fallen 13 percent, and transportation and shipbuilding were down 3.7 percent.

### Small Businesses

In 1970 over 1,500 small businesses (less than 200 employees) closed completely or were absorbed by others.

Nicola Resto of Taranto, head of the National Small Industry Association, says bitterly, "We haven't increased our employees (skilled laborers prefer to work in the large concerns, where contracts are usually more advantageous) and our plant usage is falling."

Hardest hit had been Italian construction, and within that industry, small and medium-sized enterprises have suffered most. In March, the builder's association of Lombardy surveyed its members, and found that 484 companies that a year ago had employed 34,282 construction workers now employ 29,853, only 83.3 percent of the previous year's total.

In the country as a whole, there is fear that unemployment in construction may reach one million. Even the most optimistic estimate, that of Labor Minister Carlo Donat Cattin, foresees 80 to 90,000 men out of work.

The steel industry has fared no better. Officials of Finisider report that in spite of an increase in production capacity, production has fallen off badly, remaining 20 percent below the expected total in 1970 and early 1971.

"We accepted union terms in 1969 in hopes that a production increase would absorb most of the added costs. Instead, continuing agitation and absenteeism have made it impossible to maintain the production levels," said one angry steel company official.

Luigi Preti, minister of finance, lays blame for Italy's slump squarely on labor. "Production can revive only if this (labor) ten-

## The South: Mezzogiorno Incentives Are Sweetened

By Stuart Troup

**ROME**—The sweet scent of tax incentives and state grants, along with the natural resources of space and manpower indeed have been alluring to industrialists in Italy's underdeveloped South. But the country's enormous social and political problems caused by the great gap in North-South development still exist.

What to do? Italy has decided to sweeten the scent, and a bill before parliament now puts potential investors on the threshold of being offered incentives almost as enormous as the nation's social difficulties. Whether the new incentives will attract the type and amount of industrialization needed to overcome the Mezzogiorno problems is moot. The new incentives, however, are nonetheless attractive for industrialists looking for sites or who are seeking financial incentives with which to expand.

Here is how the new provisions are outlined in the legislation, whose approval is virtually certain:

Government grants will total a maximum of 30 percent of a project cost and 40 percent for purchase of machinery produced within the Mezzogiorno. The current limits on such grants are 20

percent and 30 percent, respectively.

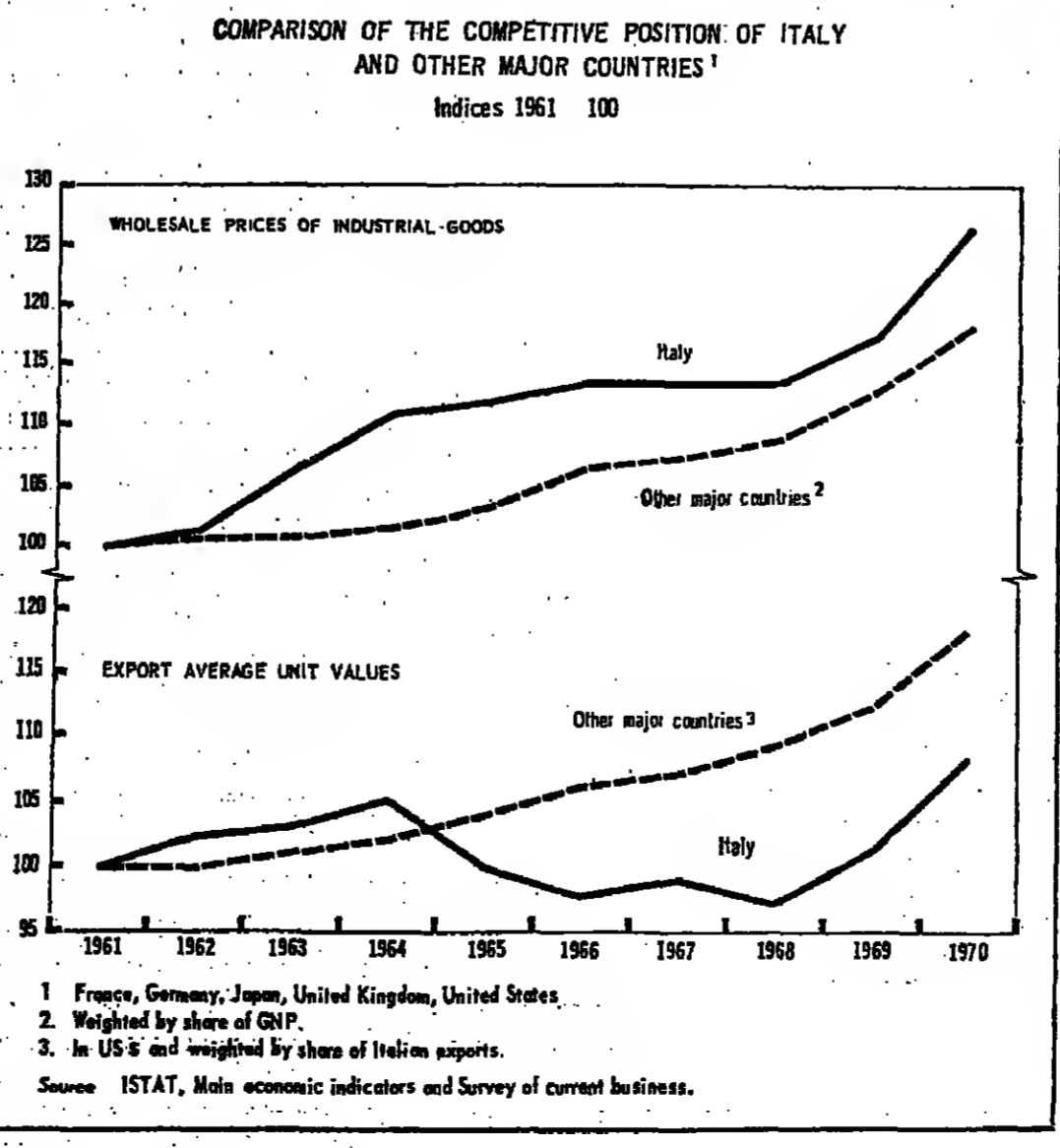
Investments of between 100 million and 400 million lire (\$166,000 to \$670,000), if they are made in areas designated as particularly depressed, will be eligible for the 30 percent grant, along with financing of up to 50 percent. In areas not considered depressed—as defined by the Interministerial Committee for Economic Planning (CIPE)—the grant will be limited to 20 percent, but the amount of financing will remain at 50 percent.

For investments of between 400 million and nine billion lire (\$670,000 and \$15 million), the incentives will be established by CIPE on an ad hoc basis. The maximum incentives will be allowed only on those projects that will solve more pressing social problems, such as developing depressed areas.

Investments of over nine billion lire (\$15 million) will receive a maximum of 50 percent in financing but only 13 percent in grants. For such investments, CIPE would negotiate each project individually.

All the loans will be for a period of 15 years for new plants and ten years for expansions and modern-

(Continued on Page 3, col. 1)



**NATIONAL ASSETS**—Two key contributors to Italy's underlying basic economic strength are its first-rate highway network, which already compares favorably with almost every area of Europe and which continues to be improved, and its incomparable tourist attractions.



# Italy

## Output Falls Because of Labor Unrest

(Continued from Page 7)

months of 1971 were 15 to 20 percent below last year, he said. "The violence and strikes that have recently become the fashion in our nation certainly have not encouraged the foreign tourist," he explained.

He also pointed out that prices in Italy have increased between 10 and 20 percent in the past year, mostly as a result of increased labor costs.

Giuliano Magnoni, president of the Italian Federation of Travel Agents, said recently that Italy has become the most expensive country to visit in the Mediterranean area. He said Spain was 25 percent cheaper than Italy and that Yugoslavia and Greece were up to 50 percent less expensive.

And the nation's 220,000 hotel workers were out again this month seeking higher wages and fewer hours. Labor Minister Carlo Donat Cattin personally stepped in to settle the dispute. The agreement may cost hotel owners as much as 35 percent in wages for the major hotels and as much as 100 percent for smaller ones. Mr. Donat Cattin has scored one major labor victory this year. Last month, his direct intervention led to a compromise agreement that ended a strike by some 180,000 Fiat automotive workers, which had threatened to develop into a nationwide metalworkers walkout.

Fiat estimates that increased wages and fringe benefits as a result of that settlement will cost about 45 billion lire (\$72 million) annually, but expressed satisfaction with the settlement. The company estimated the unions' original demands would have cost more than double and further reduced plant utilization by eliminating some shift work.

Settlements of this kind have pushed Italy out of the cheap labor market and many foreign investors are now putting their money in countries such as Spain, Portugal and Greece.

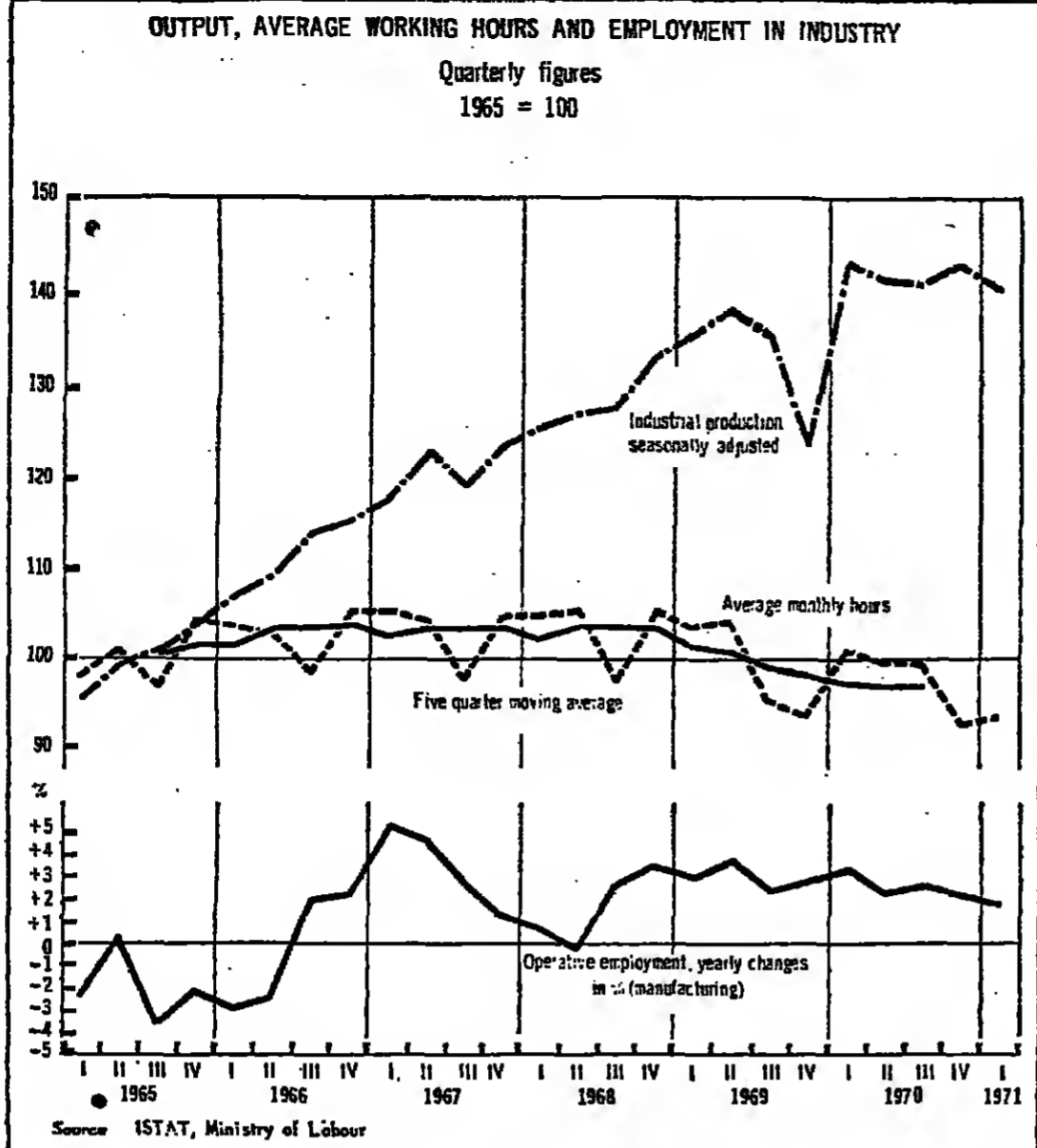
Attempts by President Giuseppe Saragat and Prime Minister Emilio Colombo to get labor leaders to slow their demands and get back to work to restore production have met with little success. And many observers see little chance for improved labor-management relations in the near future. Unions have never been stronger and seem in no mood to give up any of the power they have gained since 1969. It was only during the "hot autumn" that they discovered they had any.

The staggered, or "hiccup" strike as it is known, which Italian unions have used with such efficiency, was born because the union had no strike funds and its members couldn't afford to lose more than a few hours wages at a time. It was only later that they discovered that "hiccup" walkouts were just as disruptive to the employer but prevented him from closing completely.

Strikes have seemingly become a way of life in Italy and the unions have raised their sights from simply winning direct economic gains for their members to pressuring an inefficient government for more low-cost housing, better medical care and other social services.

Unfortunately, it is doubtful that without such pressure the government would be moving toward resolving these problems. Therefore, many union leaders, even the more moderate ones, have taken the attitude that their strikes are doing the nation more good than harm and they see no reason to curtail them.

The problem could become more acute if the three major unions agree to merge—a possibility they are discussing now. Italy's second largest union, the two-million-member CISL, recently officially came out in favor of such a move. This Christian-Democrat-orientated union, until 1969, had been opposed to a merger



Source: ISTAT, Ministry of Labour

with the Communist-led CGIL and the Socialist-Republican UIL for fear that the larger CGIL, with 2.5 million members, would gain control of the new labor body.

The unions are already a strong political force in Italy. Merged into a single body, they could paralyze the nation with a single strike call.

In his discussion with the budget committee of the Chamber of Deputies, Minister Piccoli noted this fact and appealed to the unions to balance their demands against the needs of the nation. He warned that if the present economic system based on free competition had neglected too many social needs "it is not by destroying that same economy that one increases them."

## Despite a Deep Slump, Hopefulness Remains

(Continued from Page 7)

son can be reduced," he said, citing the loss of 18 million workdays in 1970. "We can't permit ourselves the luxury of going on like this. After two years of squabbling, we must find some point of agreement between management and labor, to give back to our country its supremacy in European productivity."

### Labor Costs Climb

Labor costs in Italy jumped an average of 12 percent during 1970. Industrial salaries rose a minimum of 11 percent in sectors where labor contracts were not up for negotiation, to 21 percent in others. They rose 27 percent in some metalworking plants, and 33 percent in parts of the chemical industry.

Prices during the first two months of the year increased 3 percent, a figure which had been established as the maximum acceptable for the entire year.

"And people buy less," says Giuseppe Orlando, president of the Milan Merchants' Organization. In the food sector in January, compared with the preceding year, sales were down 2.5 percent. Meat sales fell by 6 percent, and clothing by 2.5 percent.

The wholesale price index jumped 5 percent in the first two months of 1971, and the consumer index went up 5.1 percent, according to ISTAT. Labor cost increases have also hurt Italy's competitive advantage on foreign markets. Fiat cars, for example, have jumped almost 20 percent in price in England and France in two years.

Both Fiat and the huge Zanussi appliance company signed major contracts with unions in June, but a series of nagging strikes by the country's 160,000 hotel employees, and walkouts by rail and textile workers have clouded the hopes of officials seeking a healthier atmosphere of labor relations.

Many observers saw the big gains made by right-wing politicians in recent regional and city elections as a slap at union agitation that should cool down labor's demands.

The unions say they have been forced into assuming a widened political role because of the ineffectiveness of political parties. They have expanded their field of action from the bread and butter issues of wages and work conditions to the broader plain of social reforms. Nevertheless, the effect of their agitation remains the same: to create a general mood of uncertainty and cautiousness on the part of management.

### Problem of 'Disillusionment'

Bank of Italy officials say that it is crucial to conquer the widespread uncertainty felt by investors. Italian economists have termed the problem "disillusionment of entrepreneurs."

"It derives from both concrete facts and emotional reactions," said Franco Mattel, director-general of Confindustria, recently. "It is impossible to utilize completely and rationally existing plants. It is said that costs have become unpredictable, and it's true... A businessman cannot know from one day to the next if the handicap he carries is the same or different from that of others."

Officials estimate that there is available immediately about 3,000 million lire (\$4.8 billion) in liquid capital, pending only requests for financing by companies with good prospects. Why are there no takers?

Reason for the current investor reluctance is the imminence of favorable new tax legislation that would put Italy on a value-added system. Many investors are apparently standing aside to see if the reforms, which would begin Jan. 1, are passed by parliament.

A major fear of investors—in particular foreign capitalists—is that once you go into business in Italy, you can't leave. A

German businessman whose clothing factory near Milan has been occupied intermittently by strikers through the spring, says he hopes to move his plant, machinery and all, to Yugoslavia, Poland, or to Czechoslovakia, where labor is less costly and less troublesome. But before he leaves, he will face heavy severance payoffs to most of his 530 employees.

Labor, however, does not carry all the blame.

Renzo Di Piramo, 46, who heads the Cioce-Venanzio Textile Co., sees structural flaws in his industry, one of the most depressed.

### 'Too Many Small Companies'

"There are too many small companies," he says. "The state intervenes with protectionist measures that save them till the hour, and holds them on their feet even when they are not economical." Inefficient firms and old equipment, he says, should be retired, to put the textile industry on a competitive footing with foreign concerns.

The head of the Bank of Italy, Guido Carli, who during his 11 years in office has had considerable success with "fine tuning" the economy to keep up the brisk tempo of Italian economic growth, said in his annual report that fiscal and monetary measures have lost their usefulness in treating Italy's "wounded economy."

"Political and social uncertainty," said Mr. Carli, "are forcing the economy into a state of permanent alarm. The system is too no conditions to react to salary increases with either rapid processing of rationalization or with a large increase in investment; new enterprises are stagnated."

### A Bright Spot

One bright spot has been a sharp improvement in Italy's balance of payments situation, which in 1969 was so serious that government reserves fell by \$1.4 billion. But 1970 brought a \$336-million surplus, and the country has registered a \$361 million surplus during the first four months of 1971.


The improvement is due mainly to a sharp change in capital movements. Government restrictions imposed last year on currency flow out of the country account for 85 percent of the curbing in capital outflows. In the first half of 1970, "swiss subsidies" took \$684 million out of the country, but when the Colombo government put controls on these re-entry into the country, the figure fell to \$283 million, and Bank of Italy officials see continued improvement.

High domestic credit rates have also meant that less investment has gone abroad. And the boom years of the unit trusts like IOS are over, which means that "more money" stays home.

The early months of 1971 also saw an improvement in the export/import balance, with exports increasing 12.3 percent and imports rising by 10.2 percent.

Foreign investors seem wary of investment in Italy. Although the picture is clouded by counterbalancing investment in large industries, there is a reluctance to take chances in the prevailing uncertainty in Italy. One economist said, "There are signs that foreign investors are studying, with ever greater frequency, the possibility of investment in Yugoslavia, or even in Romania."

Many American investors remain optimistic. Says one investment banker, "Italy is reaching or has reached a low point, and things must soon reverse themselves." The elections were very important in bringing a more serious mood about labor questions. Over all, there is reason to believe that the Fiat settlements indicates a willingness to seek reasonable settlements. Toward Fiat, things should look up again."



# ENI : THE YEAR OF THE OIL

When ENI got started back in 1953 it owned natural gas producing areas in the Po Valley but its oil production was nil, for all practical purposes. So ENI had to go out and look for oil in Italy and foreign countries.

Today the crude oil reserves of the group amount to over 3 billion barrels, by far the greatest part of which are in foreign countries. The group also has about 5 trillion cubic feet of natural gas reserves in Italy.

But the demand for energy is rising rapidly in Italy like in all highly industrialized countries. As a state-

owned company ENI has particular responsibilities in making sure that fuels for the country's needs are available at the lowest possible cost—Italy cannot afford to have its industrial products become uncompetitive on the world market.

While Italy is already a pretty big producer of natural gas, any future potential for increasing reserves will require diligent exploration efforts the outcome of which no one can foresee. ENI is therefore becoming one of the world's biggest importers of this fuel, having already drafted agreements for Libyan, USSR and Dutch gas supplies amounting to some 9 trillion cubic feet in 20 years.

In all these considerations on fuel supplies, both cost and reliability of supply are of foremost importance. This is not only true for ENI and Italy, but also for Italy's neighbors of the Western European countries, which together form the world's largest market for imported oil. Each of the countries of Western Europe depend so heavily on imported oil that any disturbance on the world oil market becomes a crucial internal economic problem.

During the recent international oil-pricing negotiations in which the consumer countries did not participate, no guarantees of either price or supply stability were given to those who will have to pay for the oil in the end. Now is the time for them to get together and negotiate directly with producer countries on the bases of their reciprocal economic interests. The consumers need price and supply stability. The producer countries need technical and commercial collaboration for progressive and enduring economic and social development. It would be logical for consumers and producers to meet on a common plane to supply each other's need reciprocally and rationally.

The 12 refineries (6 in Italy and 6 abroad) in which the multinational ENI group has interests used over 208 million barrels of crude in 1970. The group is also readying to build two new foreign refineries (England and Zambia). Demand for products is rising everywhere. So even though the group's production figures are pointing upward sharply in the Middle East, Africa and the North Sea, the search goes on in 21 different countries over an aggregate extension of more than 268 million acres to further diversify sources of production and increase reserves.

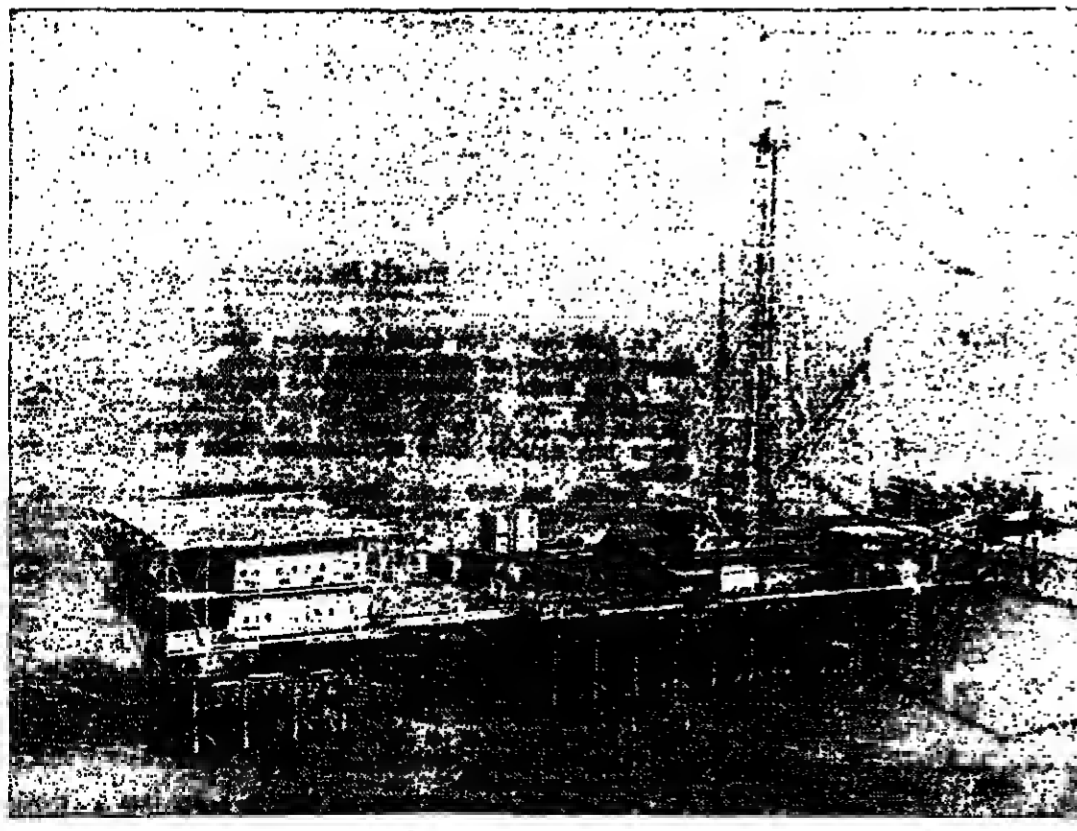
To facilitate and expedite exploration over this vast area ENI has made many specific joint venture arrangements with numerous private and national oil companies regarding individual leaseholds.

Although ENI itself is a state-owned holding company, its operating affiliates are all stock companies, corporations competing openly for markets in Italy and abroad.

The ENI group is tightly integrated in all sectors of the petroleum industry, from exploration to drilling, refining and marketing, from engineering to plant construction and process control systems, from petrochemicals to rub-

ber, fertilizers, plastics, fibers, textiles and apparel manufacturing. Consolidated gross sales (143 companies) in 1970 were \$2,562 million and fixed assets totaled \$4,676.8 million (51% amortized). New investments in 1970 were over \$725 million and writeoff for depreciation and depletion totaled more than \$304 million. At the end of 1970 group paid-in capital consisted of \$758.24 million from the State (on an authorized appropriations investment of \$1,246.2 million) and \$198.88 million from private stockholders. Long-term debt was \$1,023.2 million.

OIL FIELDS IN WHICH ENI HAS INTERESTS			
ITALY		NIGERIA	
	% Interest		% Interest
Gela	100	Ebocha	50
Ragusa	100	Mbode	50
<b>EGYPT</b>			
Belayim	50	Kwale	50
Abu Madi (gas)	100	Okpai	50
<b>ENGLAND (N. Sea)</b>			
Hewett, Dotty,		Alri	50
Deborah, Della (gas)	8.13	Ndoni	50
Josephine	15	Ida	50
<b>IRAN</b>			
Bahran Ser	50	Manuso	50
Hendijan	50	<b>NORWAY (N. Sea)</b>	
Nowrouz	50	Cod (condensate)	8.22
Doudrou	50	Eozhik	12.04
Rig	50	W. Eozhik	13.04
Shurum	50	<b>QATAR</b>	
Rostram	16.67	Maydam Masam	50
Rakhsb	16.67	Id-el Shargi	50
<b>LIBYA</b>			
Bu Attifel	50	<b>TUNISIA</b>	
<b>CONGO (Brazzaville)</b>			
Brazzaville			



Off-shore platform in the area of Bahran-Sar, Iran-Persian Gulf.



# Italy

## The South: Mezzogiorno Development Incentives Are Sweetened

(Continued from Page 7)

stations. And a clause is expected to be introduced into the law to allow a grace period of three years before the first installment would be due.

The interest rates to be fixed by the Treasury Ministry are expected to be between three and five percent annually, and lower rates are expected for small and medium-size companies.

### Tax Holiday

An incentive, too, will be a 25 percent reduction in social security payroll charges to companies settling in the Mezzogiorno. Currently, the reduction is 20 percent. And the new law will not change the 10-year tax holiday for new investors or to those wishing to expand.

A move that will help speed the development of the infrastructure needed for industrialization in the south also has been written into the legislation: That all state-owned companies must locate 60 to 80 percent of their new plants in the Mezzogiorno, and not less than 40 percent of their total investments—including modernization and expansion of existing facilities—by the end of 1973.

A number of private and state companies already have finalized their investment plans to take full advantage of the new incentives. For example, Fiat will build 13 plants in the Mezzogiorno with an investment of 250 billion lire (\$409 million), which is expected to provide 20,000 new jobs. Pirelli plans to invest in four new plants to employ about 4,000 workers with an investment of 54 billion lire (\$90 million).

Olvetta expects to spend four billion lire (\$14.5 million) for a plant expansion at Pozzuoli, to create 400 new jobs, and 16 billion lire (\$26 million) for a new plant to employ 1,600. Further, the plant state holding company IRI plans to invest by 1975 2,800 billion lire (\$4.2 billion) in the Mezzogiorno, including a major steel complex in Reggio Calabria.

### Cassa's Role

The role of the Cassa Per Il Mezzogiorno, meanwhile, which has been the official governmental body with responsibility for developing the South's industry, agriculture, tourism and infrastructure, will be reinforced by the new legislation. The Cassa will finance only those infrastructure works closely related to industrial development, such as airports, shipping facilities, transportation and communication networks, while the newly developed regional authorities take over responsibility for general infrastructure: roads, irrigation, aqueducts, etc.

The principal function of the Cassa, however, still will be to supply financial assistance to industrial investors, and it will have 7,000 billion lire (\$11.3 billion) available for investment over the next 10 years. And the Institute for Assistance in the Development of Southern Italy (IASMI), a private consultancy body funded by the Cassa and other agencies, will retain its role of advising potential investors on plant location, available incentives, and providing solutions that fit their financial and manufacturing needs—all free.

It all adds up to a pretty equation: investment in the Mezzogiorno results in space, manpower, tax holidays, state grants and soft-loan financing. None of that, however, necessarily spells profit, and IASMI points out that it has a special stake in providing tailor-made solutions for investors because everyone loses—Italy, industrialists, financiers and employees—if the investments fail.

Consequently, IASMI is one of the most significant invisible incentives to investment in the south of Italy, especially for foreigners.

### North and South

Still, while businessmen may be able to reap a harvest of investment discounts and national resources in the Mezzogiorno, Italy's purpose is to narrow that great gap between the over-industrialized North and the wanting South. And in the new legislation there is a provision to discourage further investment in congested areas. Companies that invest over 400 million lire (\$670,000) in certain congested areas of the North (to be determined by CIPE in accordance with criteria set forth in the law) will be fined one million lire (\$1,650) for each worker over the first 100 hired after the effective date of the new law. The money from the fines will be used by regional authorities to construct schools, hospitals and parks.

Some companies, including Alfa-Romeo, have voiced opposition to the upcoming measure to discourage investments in crowded areas. They claim that companies discouraged from investing in the North will not necessarily move to the South. The government has remained unconvinced, and it is doubtful that the parliamentary vote will be influenced by the industrial reaction. The restrictive measures, it has been stressed, will apply to few areas in the North.

The other efforts, meanwhile, in the program that has been going on for some time to attract industry to the Mezzogiorno—swift development of infrastructure, up-training of the labor force—will continue under the new program. Ten

schools have been established by the Cassa Per Il Mezzogiorno to train mechanics, machine operators and other skilled operators. And there have been these developments:

• The Ministry of Education has created 200 industrial professional institutes in the South to train about 30,000 school dropouts each year. Courses cover the usual range of basic technical training in such areas as electromechanical and radio technology.

• The Ministry of Labor has provided short-term technical industrial courses for almost 30,000

students a year. The courses are operated in cooperation with local industry and unions and they cover the range of basic industrial skills designed to fill local industrial needs.

• The Cassa and the Institute for Industrial Reconstruction have sponsored the major type of industrial training found in the South. The 10 aforementioned schools have been established to fill the great demand for highly skilled and competent technicians required by the increasingly complex industries investing in the Mezzogiorno. The training centers

are in Naples, Bari, Taranto, Chieti, Cagliari, Caserta, Syracuse, Crotone, Reggio Calabria and Latina.

Although control of the training centers is under the authority of the Cassa, control of them is shared with local industry and local and national industrial associations, with the cooperation of local chambers of commerce and local town councils.

Also, the Cassa helps finance crash courses for workers at new factories or where retraining is necessary because of the introduction of new machinery.

### Manpower

While the caliber of the labor certainly has needed the uplifting it is receiving, the quantity of manpower in the underdeveloped South is unequalled in Europe. And the oversupply of manpower is expected to increase during the next 20 years while in the rest of the Common Market the labor situation is likely to become tight.

The immense size of the surplus labor force, of course, dictates a low cost of manpower to investors. According to Italy's economic intelligence unit, the average

gross hourly wage in manufacturing in 1967 (the most recent year for which such figures are available) in the Common Market shaped up this way: Mezzogiorno \$0.49, Italy \$0.71, France \$0.85, the Netherlands \$0.98, Belgium \$1.04, West Germany \$1.17 and Luxembourg \$1.50.

As Carlo Turco of IASMI has put it: "Manpower is the major asset in Italy... Secondly, there is the availability of space and many locations to choose from. Central Europe, on the other hand, is quite costly."

Italy is developing a superhighway network unequalled in Europe. The autostradas now make it possible to ship by road from the toe of Italy at Reggio Calabria to the Mont Blanc tunnel within a day. Added to Italy's already modern railway system and the ease of sea shipping, the road network makes the transportation picture a healthy one.

Now the question is whether all of these investment incentives will lure the kind of industrialization Italy feels it requires to eliminate the social and political problems caused by the North-South gap.

# Transport Power Engineering

**Transport, power, engineering: the three major industrial activities of the Fiat group.**  
Cars, light and heavy commercial vehicles, city buses, express coaches, agricultural tractors, earth-moving equipment, tractor-trailer units, Diesel locomotives, railway coaches, trams, gas-turbines, aero-engines, nuclear power, automated marine control equipment. Aeronautical research and equipment (Aeritalia). Large Diesel engines (Grandi Motori Trieste). Vast civil engineering projects and public works (Impresit): roads, motorways, dams, hydro-electric power plants.



## A Great Wine Producer, But Only a Small Exporter

By Dean C. Miller

NEW YORK (UPI)—Italy is the largest wine producer in the world, about 2 billion gallons a year or 12 percent more than France.

"So why," asked a newsmen of Dr. Italo Folonari, export manager of Italy's House of Biondi, "does she export only 4 percent of that crop?"

Dr. Folonari, a trim, dark-haired man, swished a glass of red wine and tasted the crones in his tan trousers before answering. "Maybe we've been negligent," he said with a smile, "but I'm here in Manhattan to correct that."

Then he revealed that Biondi, which has expanded 51 percent in the last four years and is best known in the United States by its straw-covered Chianti bottle, will spend "substantial money" in coming months to promote Veronese wines around New York.

While he declined to reveal the advertising budget figure, it has been estimated at \$250,000 and eventually will be much more when the ad campaign, mostly spot television, is spread around other U.S. cities. Veronese wines have been the single fastest growing segment of the Italian wine industry.

Late in June, Dr. Folonari spent two working weeks in New York to lay the groundwork. Even before he arrived, Schieffelin & Co., New York distributors for Biondi, met a full day with 1,000 key sales people at a Kennedy Airport hotel.

Dr. Folonari, eldest son of Nino Folonari, president of Biondi, arrived shortly after that meeting to give it all together. He presided over two tastings for major restaurateurs, formal dinners, with distributors and wholesaler, and a series of select groups of salesmen, serving meals

with important potential customers and press briefings.

### Optimism

Was he optimistic about pushing Italian brands in a country burgeoning with good domestic vineyards that last year increased their table-wine sales 13 percent (97,690,816 gallons over 85,823,535 gallons), according to the National Association of Alcoholic Beverage Importers?

"Yes," said Dr. Folonari, "the growth in wine drinking makes room for all wines. And the U.S. drinker has become sophisticated in his tastes. He knows that Italy produces more than Chianti. So do other countries."

"It may surprise you," Dr. Folonari said, "that our house alone exported last year 7.5 million gallons, the so-called capital of wine, 22,000 cases of wine. I will not be satisfied until every country in the world knows about our wines. Neither will my father, who thinks he is the boss, and he is."

Dr. Folonari seems to be on a sound marketing track. Wine consumption in the United States has been rising for five years. Imported still Italian wines for last year have jumped in sales by 26 percent (2,942,717 gallons over 2,344,880), according to NAABAI.

Italy, sensing this trend, is trying to cash in. Two million of its 54-million workers are directly concerned with producing wine. Twelve major educational institutions in Italy offer degree-level courses in enology, the wine science. At Siena, in the Medici cellars, the Italian wine institute and its master tasters of 400 domestic wines plan ways to convert their grapes into foreign cash.

Even a one percent increase in exports would be a big boost to the Italian economy.

# Italy

## An Analysis of the Economy by the OECD

THE interruption of the expansionary trend of the Italian economy has now lasted nearly two years. The growth of the national product has been very slow since the summer of 1969. Industrial production recovered sharply in early 1970, after a big fall due to massive strikes, but has marked practically no progress thereafter.

The origins of the virtual stagnation of output were not of a cyclical nature. Recurrent work stoppages were initially the main factor preventing an increase of production. But the interaction of causes extraneous

to the economic cycle and of developments in incomes, costs and external transactions has created a change in the economic situation in the first half of 1971.

Continuing disturbances in the productive sector still constitute an obstacle to appreciable increases in output. But signs of deficient demand have become

increasingly numerous, pointing to some risk of a cumulative deflationary process. Non-agricultural employment continued to rise until early 1971, partly because of negotiated reductions in the working week. It could be unfavorably affected during the rest of the year if, on top of the foreseeable decline in the labor-intensive housebuilding sector,

other demand components—and in particular business investment—were to weaken further.

### Difficulties

Economic policy is thus faced with difficult tasks. Policy formulation has not been easy over the last year and a half, when economic trends changed frequently, social and political uncertainties prevailed and considerable strains developed for a time on the balance of payments.

One of the important achievements of policy in this period was the considerable expansion of investment of both general government and state-owned enterprises; this helped to sustain total investment and, in the early months of 1971, was probably one of the few buoyant elements of aggregate domestic demand.

Monetary policy was tightened up to the summer of 1970 (thus making difficult the situation of smaller firms who could less easily absorb the large wage increases) because of a disquieting large capital outflow and speculation against the currency. After the successful reversal of the outflow, partly by means of large borrowing abroad by public institutions and enterprises, monetary policy was progressively relaxed.

The package of fiscal measures of August 1970 had an immediate favorable influence in restoring confidence in the currency. Its net demand impact was probably more restrictive than intended. At the beginning of 1971, on the basis of forecasts of relatively strong private investment demand and of an early upswing in production, the government fixed certain limits to the permissible deficit of the treasury.

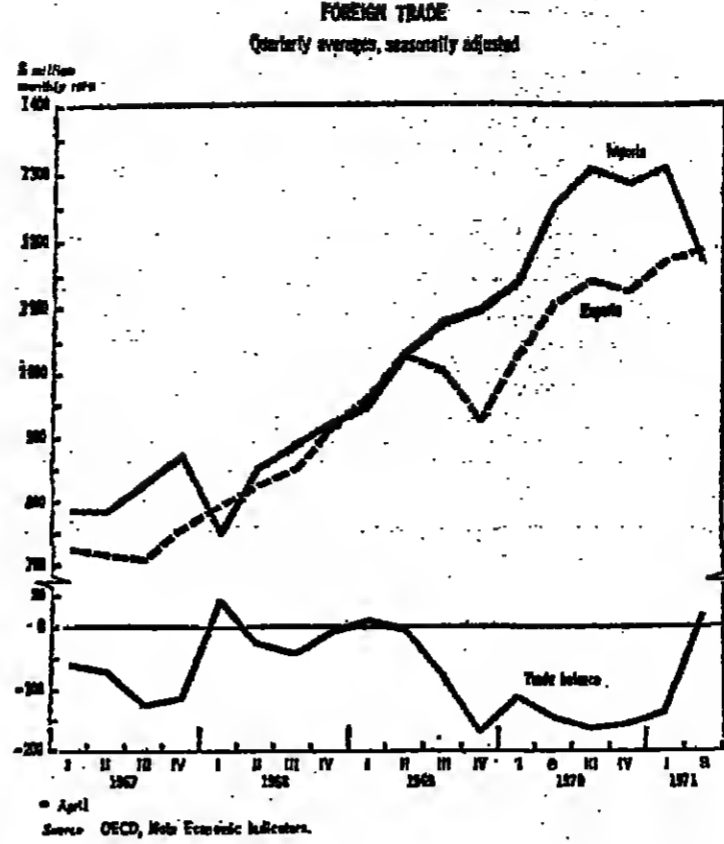
However, their economic justification disappeared as the weakness of private domestic demand became progressively clearer.

At the time of writing, the authorities are considering the adoption of a package of deflationary measures. [See addendum.] Certain decisions have already been announced—e.g., steps to counteract the decline of activity in housebuilding—but recent developments seem to call for determined expansionary action with relatively quick effects.

Apart from the need to prevent an increase of unemployment, such a policy seems clearly appropriate on purely economic grounds.

### Payments

The current balance of payments is probably in surplus and the large increase of official



reserve provides a margin for the adjustment of demand management to domestic requirements.

Prices will inevitably continue for some time to reflect the earlier large increases of costs. But recessionary developments would hardly contribute, except very temporarily, to dampen price inflation. On the contrary, stimulatory action aimed particularly at encouraging private investment seems the best way of reducing gradually the pressure on costs.

The present margin of unused resources suggests that deflation might be general. But looking beyond the immediate future, there is clearly great need for discrimination in favor of steps that encourage productive and social investment, help to reduce costs and limit price increases and create increased employment opportunities.

Moreover, it would be desirable that the expansionary measures should be easily reversible. In order to achieve their purpose, the selective stimulating measures would have to add up to a relatively important aggregate impact and exert their effects rather quickly. The early announcement of definite decisions in this field would, by itself, have a favorable influence, because the expectation of new measures has apparently held back certain business decisions. [See addendum at the end of this article.]

### Objective

The first objective of a selective expansionary policy would seem to be the maintenance of the recent rising trend of investment by the government, public agencies and state-owned enterprises. Investment plans of state enterprises for 1971 are indeed so large that special efforts may be needed to implement them in time. On the other hand, so long as private demand remains weak, increased recourse to government borrowing will be justified to finance additional public expenditure, not only for investment and capital transfers, but also on current account.

It would seem advisable to postpone, for the time being, any increases in public tariffs and government-controlled prices. The recent reduction of taxes on oil products to offset the rise in world market prices suggests that the authorities are prepared to act on these lines. The freezing of public tariffs will probably need to continue during the early months of 1972, and to be accompanied by special measures of price surveillance, in view of the risk that the change in the next January to the value-added tax may provoke unjustified price increases.

### Private Sector

Apart from the direct influence of the public sector, measures to support private investment activity could be considered. Under present circumstances, their net cost should not be compensated by means which would impinge on private incomes and demand. The temporary reduction of employers' social security contributions and an immediate cut of the transaction tax on investment (anticipating the results of the switch to the value-added tax) are apparently among the steps being examined. Both present the advantages of being simple, having quick effects, and reducing pressure on costs and prices. According to earlier Italian experience, changes in social security contributions could easily be reversed in the future, should this be warranted by the state of the economy.

So far as monetary policy is concerned it is demand for credit rather than its availability which is weak. Nevertheless, further special measures might be feasible to facilitate finance of house and of small enterprises. But the general level of interest rates cannot be allowed to decline to such an extent as to create

new incentives for capital outflows.

The government is, currently, preparing important structural reforms. These include a reshaping of the tax system to come into force in 1972, basic changes in house-building legislation, an overhaul of the Health Service and plans to promote economic development in the South.

Some of the legislation is already in course of parliamentary approval and it is to be hoped that these extensive reforms will become effective as soon as possible. Their importance in helping to correct economic imbalances and to solve acute social problems needs hardly to be stressed. In addition, early decisions on these plans would reduce some uncertainties affecting business investment plans and should have a favorable influence on the social climate.

### Demand

The present phase of relatively weak domestic demand provides a favorable opportunity for the application of reform measures, which, apart from their other consequences, involve certain increases of public expenditure. These reforms, however, will help in the future an appreciable volume of resources. Additional supply to satisfy increasing individual and collective claims requires that the process of economic expansion be resumed.

The underlying potential of the Italian economy is probably considerable, with the balance of payments still quite strong (cf. last year's surplus despite the special strains and difficulties). No economic system, however, can withstand indefinitely, without serious damage, a situation in which the productive apparatus does not function normally.

### Addendum

After the present survey had been finalized, the Italian government, on 3rd July 1971, announced a series of expansionary measures aimed at helping mainly small and medium-sized enterprises.

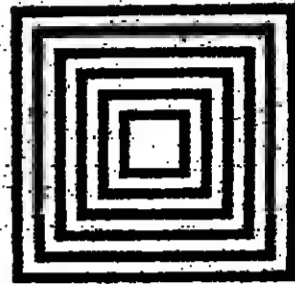
Several measures become effective as soon as the relevant decree-law is published, but must be approved by parliament within 60 days. They may be classified under two general headings:

- Budgetization of social security contributions:
  - (a) Employers' contributions to the Insurance Fund for Old Age and Unemployment (INPS) will be reduced by an amount equal to 5 per cent of the wage bill used as a basis for contributions. This measure will apply for one year only and to a workforce of up to 200 persons for firms with a total payroll not exceeding 500. Certain branches are excluded—e.g. building enterprises which benefit from earlier special measures.
  - (b) A partial budgetization of contributions of all enterprises located in the South was introduced in October 1968. This is now increased to 30 per cent of the basic wage bill, but the increase applies only to additional employment. These incentives, due to expire at the end of 1972, are prolonged until the end of 1980 in order to influence long-term business plans.
- Special credit facilities:
 

New transfers from the budget to several funds managed by the Special Credit Institutions will allow an expansion of credit granted on favourable terms to particular categories of borrowers—small and medium firms, artisans, agricultural enterprises, etc. Parallel measures increase the budget appropriations subsidization of interest rates aid on these categories of credit. Another measure consists of a substantial increase of budget appropriations to speed up tax refunds to exporters.

## consorzio di credito per le opere pubbliche (CREDIOP)

Public Works Credit Consortium - Headquarters:  
Via Quintino Sella, 2, Rome, Italy  
FULLY PAID CAPITAL: Lit. 15,300,000,000  
RESERVES: Lit. 114,980,794,040



The CONSORZIO DI CREDITO PER LE OPERE PUBBLICHE finances the performance of public works with loans secured by annual appropriations in the national Budget, or by the assignment by Municipal and Provincial governments, Land Reclamation Consortia and Regional Administrations of revenues which enjoy equal rights of collection with those applying to direct taxes.

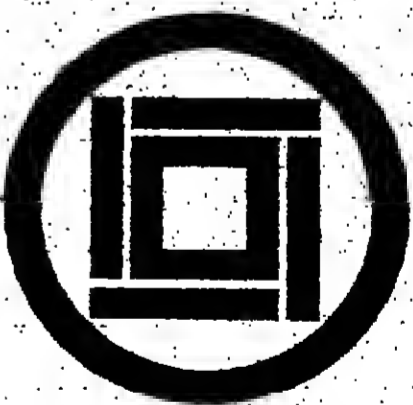
Other important operations effected by the Consortium comprise direct loans to the State, the State Railways and to ANAS (National Highways Authority). Provision for the interest and repayment instalments of such loans is made by separate appropriations in the budgets of the borrowers, specifically allocated to the Consortium. In addition, the Consortium grants loans to local government authorities for the financing of their budget deficits and to the assignors of State annuities in respect of war damage compensation.

Against the loans so granted, the Consortium issues, by over half its issue of foreign currency bonds, redeemable in correspondence to the terms of repayment of the loans. The sums receivable by the Consortium deriving from the addition of the loans are appropriated exclusively to the payment of interest and amortization of the corresponding bonds. Apart from the appropriation of such sums, the bonds are also guaranteed (in aggregate) by the subscribed capital and the reserves of the Consortium. The bonds issued as per Decree Law No. 24 of 15 March 1965 — converted, with modifications, into Law No. 47 of 12 May 1965 — and Law No. 382 of 28 March 1968, enjoy State guarantee.

The bonds issued by the Consortium are exempt from any existing or future tax or duty. The bonds enjoy parity with the Municipal and Provincial Loan Certificates issued by the Cassa di Risparmio di Roma (Post Office Savings and Loans Fund) and with Real Property Loan Certificates. They are included among the securities on which the Bank of Italy is authorized to grant advances, and they may be deposited with the Central Bank by the commercial banks as guarantee for the bank drafts which they issue. The bonds of the Consortium enjoy the right of Stock Exchange quotation.

## istituto di credito per le imprese di pubblica utilità (I.C.I.P.U.)

Public Utility Credit Institute - Headquarters:  
Via Quintino Sella, 2, Rome, Italy  
FULLY PAID CAPITAL: Lit. 21,000,000,000  
RESERVES: Lit. 49,336,872,740



- The Institute provides the following types of financing:
- Medium and long-term loans to public and private bodies and enterprises for the provisions of public utility works, installations and services, or of any project deemed to be in the public interest.
  - Medium and long-term loans at assisted interest rates for industrial and tourist projects in the Southern Italian mainland and islands, pursuant to Law No. 717 of 26 June 1965.
  - Medium and long-term loans at assisted interest rates for industrial and tourist projects in the depressed areas of Northern and Central Italy, pursuant to Law No. 38 of 15 February 1967, which extends the term of and amends Law No. 823 of 30 July 1959.
  - Finance for export credits and for assistance to developing countries, pursuant to Law No. 131 of 28 February 1967.

**italian steel**

**FINSIDER GROUP - Roma**  
All the products of the steel industry

**ITALSIDER - Genova**  
Hot rolled strips, plates 3 mm, electrolytic tin plate, galvanneal sheets, welded beams, rails, wheels, high carbon steel, special plates.

**DAEWING - Milano**  
Seamless and welded steel pipe for any industrial and civil purposes.

**TERINI - Roma**  
Hot and cold rolled products, electrical steels in sheets and coils, castings, forgings, drop-forgings, gunstocks, gates, pressure vessels.

**BREDA SIDERURGICA - Milano**  
Special steels: structural steels, hot rolled steel cold drawn products, special alloyed products, steels for special purposes.

**MORTEO SOPREFFIN - Genova**  
All types of steel containers, guard-rails, greenhouses, prefabricated metallic pavilions, liquid gas cylinders, lubricant drums.

**SOCIETA ITALIANA IMPIANTI - Genova**  
Consulting design and construction of industrial plants.  
Head Office: General Management - Piazza Picconetta, 3 - 16121 Genova

**SIDEREXPORT - Genova**  
Export sales organization.  
Head Office: Via XII Ottobre, 2 - 16121 Genova  
Tubular products division: Via Brera, 21 - 20121 Milano

**SIR EVERYTHING FROM PETROLEUM**

At Porto Torres, one of the largest and most important refineries in Italy, SIR produces a wide range of products for the chemical and industrial sectors.

**SOCIETA ITALIANA RESINE - Via Grazioli, 33 - MILAN - Italy**





Eurobonds

Dealers Waiting for Stimulus For Traditional Summer Rally

By Wayne Littott and William Ellington
LONDON (AP-D) - Dealers in the Eurobond market are waiting for a stimulus...

Economic Indicators

WEEKLY COMPARISONS

Table with columns: Latest Week, Prior Week, 1970, 1971. Rows include: Commodity Index, Currency in circ., Total loans, Steel prod, Auto production, Daily oil prod, Freight car loadings, Elec Pwr. kv-hr., Business failures.

MONTHLY COMPARISONS

Table with columns: June, Prior Month, 1970, 1971. Rows include: Employed, Unemployed, Industrial production, Personal income, Money supply, Consumer Price Index, Construction contracts, Mfrs. inventories, Exports, Imports.

\*000 omitted figures subject to revision by sources. Commodity index based on 1967=100 and the consumer price index based on 1967=100, as compiled by the Bureau of Economic Analysis...

Financial Markets in N.Y. Turn Bullish On News of Nixon's Plans to Visit China

By Thomas E. Mallaney

NEW YORK, July 18 (NYT) - President Nixon's electrifying announcement that he would visit China on a "journey for peace" before next May instilled new confidence in the business and investment worlds last week...

As expected, the financial markets greeted the planned presidential trip with a burst of bullish enthusiasm because of its potential for improving peace prospects. However, the market reaction was brief and skeptical.

The picture was further clouded by the start of a nationwide strike by 400,000 telephone workers and selected strikes in the railroad industry.

Industrial production and auto sales: the fairly strong gain in retail value; the moderate increase in both business inventories and the G.P.I., and the first legislative approval of a bill to provide financial help for ailing companies such as Lockheed.

Amex and Over-Counter

NEW YORK, July 18 (NYT) - Trading on the American Stock Exchange last week rose to 15,932,000 shares compared with 13,645,630 shares in the four-day previous week.

de Paris et des Pays-Bas, said the 15-year issue will carry an 8 percent coupon and be priced next Friday.

Over-Counter Market

Table listing various over-the-counter stocks with columns for High, Low, Last, and Net Change.

Table listing various over-the-counter stocks with columns for High, Low, Last, and Net Change.

Table listing various over-the-counter stocks with columns for High, Low, Last, and Net Change.

Domestic Bonds

Table of domestic bond sales with columns for Sales in \$1,000 High Low Last Net change.

Table of domestic bond sales with columns for Sales in \$1,000 High Low Last Net change.

Bond Sales on the New York Stock Exchange

Table of bond sales on the New York Stock Exchange with columns for Sales in \$1,000 High Low Last Net change.

Bond Sales on the New York Stock Exchange

Table of bond sales on the New York Stock Exchange with columns for Sales in \$1,000 High Low Last Net change.

Bond Sales on the New York Stock Exchange

Table of bond sales on the New York Stock Exchange with columns for Sales in \$1,000 High Low Last Net change.

NATIONAL BANK OF GREECE S.A. advertisement including address and contact information.

J. C. Penney Company, Inc. advertisement for subordinated debentures due 1993, including terms and conditions.

OFFSHORE FUND AND 'BANK' INVESTORS advertisement.

TOKYO CAPITAL HOLDINGS N.V. advertisement for shareholders.

Table of bond sales on the New York Stock Exchange with columns for Sales in \$1,000 High Low Last Net change.

DRYFUS FUND INC advertisement.

NOTE that, as long as the market value of the Common Stock is more than \$52.20 per share, the market value of the Common Stock into which the Debentures are convertible is greater than either the price which would be received upon the sale of Debentures to the securities dealers or the price which would be received upon redemption.

Notice to holders of Ordinary Shares to bearer at the Annual General Meeting of Shareholders of Tokyo Capital Holdings N.V.

DRYFUS FUND INC advertisement details.

N.Y. Bond Sales

Table of N.Y. Bond Sales with columns for Issue, Price, and Change. Includes sub-sections for (Continued from Page 11) and International Bonds.

N.Y. Stock Exchange

Table of N.Y. Stock Exchange activity for the week ended July 17, 1971, showing volume, high, low, and change for various indices.

N.Y. Markets Bullish After Nixon News

(Continued from Page 13) Significant drop in the numbers planning to buy cars and major appliances during the last two months. Intentions to buy new homes remained steady.

Foreign Bonds

Table of Foreign Bonds with columns for Issue, Price, and Change.

American Exchange

Table of American Exchange activity for the week ended July 17, 1971.

Market Averages

Table of Market Averages for the week ended July 17, 1971.

Insurance Stocks

Table of Insurance Stocks with columns for Issue, Price, and Change.

Treasury Bills

Table of Treasury Bills with columns for Due, Bid, Asked, and Yield.

Employees Cas 1.20a

Table of Employees Cas 1.20a with columns for Issue, Price, and Change.

Employees Cas 1.20a

Table of Employees Cas 1.20a with columns for Issue, Price, and Change.

Spanish Couture

For the convenience of our guests, the Autumn-Winter 1971/72 Collections of the Spanish High Fashion Houses will take place on Friday, July 23, 1971, in the Palace of Expositions according to the following program:

PERTEGAZ 9: 00 a.m.

SANTA EULALIA 10: 00 a.m.

CARMEN MIR 11: 00 a.m.

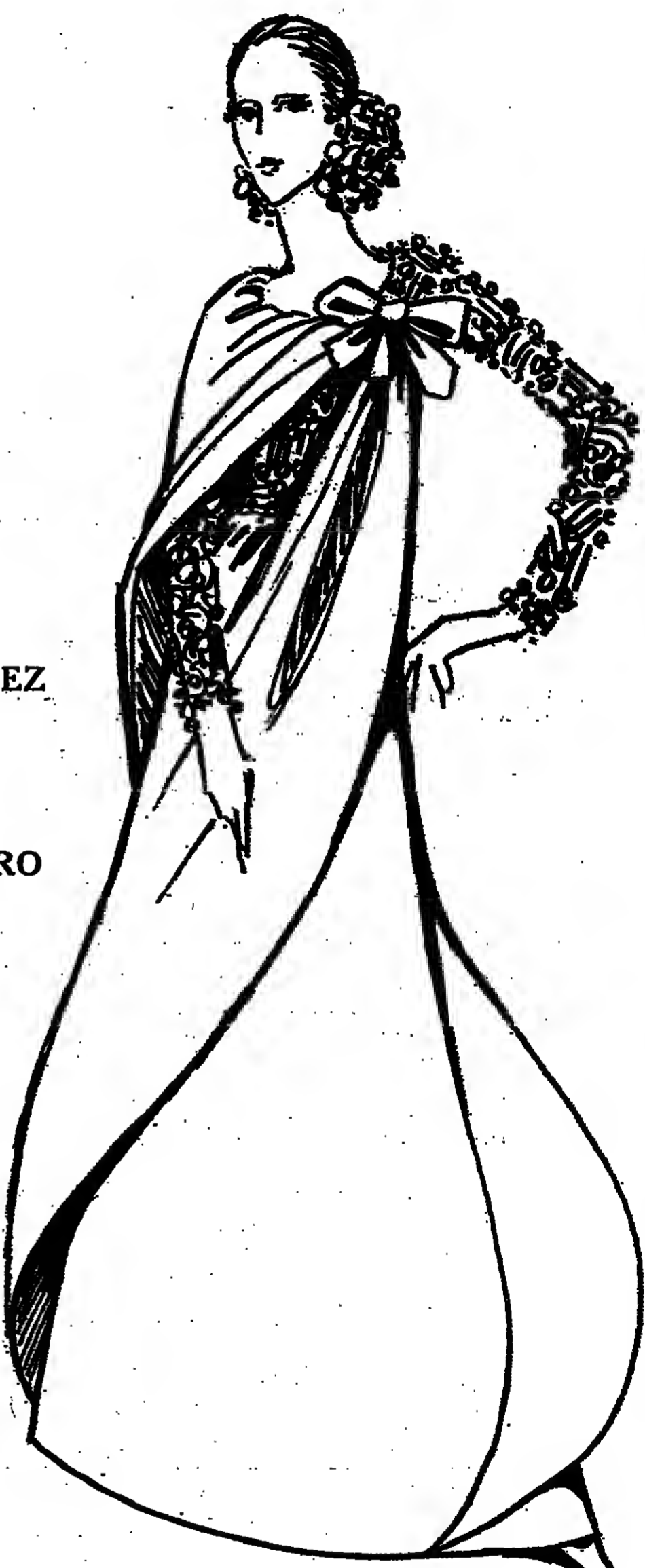
PEDRO RODRIGUEZ 4: 30 p.m.

HERRERA Y OLLERO 5: 30 p.m.

PEDRO ROVIRA 12: 00 a.m.

LINO 6: 30 p.m.

ELIO BERHANYER 7: 30 p.m.



For further information contact:

Oficina de Promocion de la Moda Espanola
Palacio de Exposiciones y Congresos
Avda. Generalisimo, 29
Madrid, Spain
Telephone 2705800

European Currency Units

Table of European Currency Units with columns for Unit, Price, and Change.

Deutsche Marks

Table of Deutsche Marks with columns for Unit, Price, and Change.

Bank Stock Quotations

Table of Bank Stock Quotations with columns for Issue, Price, and Change.

FTC Issues Complaint Against Drug Merger

WASHINGTON, July 18 (WP).—The Federal Trade Commission has finally issued its formal complaint seeking to undo the merger of Warner-Lambert Co. and Parke, Davis & Co., two of the nation's leading drug manufacturers.

EEC Forecasts Grain Surplus

BRUSSELS, July 18 (WP).—The Common Market has forecast a bumper grain harvest this year that is expected to result in record surpluses.

**PEANUTS**

SO HERE I AM ON A BUS GOING TO CAMP AGAIN. HERE'S THE WORLD WART FLYING ACE LEADING THE FRONT. I DON'T KNOW WHY I DO THIS. I HATE GOING TO CAMP. WE SHOULD BE GETTING NEAR VERONIN SOON. I GUESS GOING TO CAMP IS SUPPOSED TO BE GOOD FOR YOU. I DON'T SEE ANY SIGNS. JUST A FEW BLIGHTERS WORKING IN THE FIELDS. GOING TO CAMP PREPARES YOU FOR GETTING DRAFTED WHICH I DON'T WANT TO DO EITHER. CURSE THIS STUPID WAR!

**B.C.**

SIGN SIGN SIGN

**E.L.I.L.A.B.N.E.R.**

WHY SHOULD WE AVOID THESE CUTE L.I.L. WATER KRONKINGALES? THEY HAINT AVOIDIN' US. I'LL SAY! WE'RE S-SURROUNDED BY MILLIONS OF 'EM! MI-MI-O MI-MI! ALL THEY'S GONNA DO IS SING! YOU THINK SO?

**B.E.E.T.L.E.**

YOU'RE WRITING A BOOK? YEAH! ALL ABOUT MY ARMY EXPERIENCES. I'LL MAKE A FORTUNE. I THINK THE COUNTRY'S SICK OF WAR. THIS ISN'T ABOUT WAR. IT'S A HOUSE-KEEPERS MANUAL.

**M.I.S.S.P.E.A.C.H.**

THE STAFF WANTS TO PUBLISH YOUR AGE IN THE CAMP NEWSPAPER, MR. GRIMMIS? YES! IT WOULD EMBARRASS ME, AND IF THEY DARE TO PRINT IT, THERE'LL BE NO CANDY FOR THE ENTIRE STAFF FOR THE REST OF THE WEEK! DO MY EARS DECEIVE ME, IRA? IT'S A NEW WRINKLE IN PRIOR RESTRAINT!

**B.U.Z.S.A.W.Y.E.R.**

BUZ STOP! THE CAR! THERE'S TENNYSON. THE DARLING GIRLS' CAT! STOP! NONSENSE. HE COULDN'T HAVE COME SO FAR SO QUICKLY. HE WAS FRIGHTENED. QUICK, BLOCK THE OTHER END OF THE DRIVEWAY. HE MUST CATCH HIM.

**W.I.Z.A.R.D.**

DO YOU SCOUT IN OPPOSIT IN BIZ'S LISTING CONTEST? YES SIR. HE HAS THE LUNGS OF A BEAST, THE LEGS OF AN ANIMAL AND THE STAMINA OF AN 8 FOOT GORILLA. WHAT HAVE THEY MATCHED ME WITH A SUPERMAN? NO...AN 8 FOOT GORILLA.

**R.E.X.M.O.R.G.A.N.M.D.**

THERE'S NOT A BREEZE BLOOSING. HEY! I'M AFRAID WE'LL NOT BE ABLE TO GET YOU BACK IN TIME FOR THE THEATER! MEANWHILE MELISSA? REX SUGGESTED THAT BRUCE USE YOUR TICKET FOR THE SHOW TONIGHT? WHEN HE BRINGS HE'D HOME, WILL YOU TELL HIM THAT WE'LL BE HAVING DINNER FIRST AT THE HOTEL? YES, I'LL TELL HIM! WHAT TIME SHOULD WE AND HEID MEET YOU? AT SIX THIRTY!

**P.O.C.O.**

AVANG YOURSELF COMFORTABLE. I MUST EXAMINE THIS SUPER-SECRET MANSIVE FROM THE CHEF IN PRIVACY. TUL CALL F I NEED YOU. RIGHT FROM THE HEADWATERS THE SHEER TOP OF THE WATERFALL. BY HIS OWN HAND. HA! ANNAH. HEY...I GUESS YOU BETTER STOP IN HERE.

**R.I.P.K.I.R.B.Y.**

WHO ARE YOU WAVING AT, RIP? MY MAN, DESMOND SHERMAN. INCREDIBLE CHAP. ABSOLUTELY INDISPENSABLE TO ME. WONDER WHO THE GIRL IS? HOPE I CAN SNEAK IN THE SIDE ENTRANCE, DESMOND. I MAY HAVE A GREAT FUTURE AS A STAR, BUT RIGHT NOW I NEED THIS JOB HELPING AT THE PARTY. BELINDA BITTERS, THE HOUSEKEEPER HERE, IS AN OLD FIRE-EATER, SINNY, BUT DON'T WORRY. WE'LL OUTFIT HER... AHA, HERE COMES THAT EXTRA MAID NOW. I'VE A MIND TO FIRE HER ON THE SPOT!

**BLONDIE**

MR. BEASTLEY, WHAT'S THE MEDAL YOU'RE WEARING? IT'S FOR POSTAL SERVICE ABOVE AND BEYOND THE LINE OF DUTY. HOW WONDERFUL! WHAT DID YOU DO? I FOUGHT OFF A ST. BERNARD TO DELIVER A PIECE OF JUNK MAIL.

**BRIDGE** By Alan Truscott

A strange feature in the 1971 world championship qualifying rounds was that East was twice dealt a nine-card club suit. In one of these deals, shown in the diagram, the normal opening bid was five clubs, ending the auction.

All the declarers rolled home 11 tricks without difficulty because South had no reason to choose the killing spade lead. Four South players led the diamond king and East was able to discard his spade on the diamond ace. The fifth South led the heart ace, which sacrificed a heart trick for the diamonds.

At the sixth table, Gabriel Chanzas for Brazil chose a cunning pass as East with the intention of backing into the auction at a later stage. This tactic misfired, for his opponents were able to find their diamond fit.

When five clubs was passed around to M. F. Tal in the North seat, he gave the situation careful thought and finally bid five diamonds. This decision aroused great enthusiasm among the Taiwanese fans watching the play on Bridge-o-Rama.

West not unreasonably doubled, but did not find the perfect defense needed to justify the double. He led a club, which was ruffed in the dummy, and Patrick Huang, for Taiwan, led a trump to his queen. West won with the ace and shifted to a heart. East put up the king and the ace won.

South then led the diamond eight, a key play, and West took his jack. He played another heart, driving out the declarer's ace, and South was in control of the situation.

Drawing the missing trumps would have been an error, but Huang did not slip. He led the spade jack, which won, and continued with the spade ten. West covered with the king and the ace won in dummy.

Now dummy's last trump was available as an entry to the closed hand, and West's last trump was drawn. Finally the marked spade finesse gave the declarer two heart discards on dummy's spade. Taiwan gained 18 international match points.

**NORTH**  
 ♠ AQ864  
 ♥ 3763  
 ♦ 7653  
 ♣ —

**WEST**  
 ♠ K973  
 ♥ 92  
 ♦ AJ42  
 ♣ K85

**EAST (D)**  
 ♠ 5  
 ♥ KJ10  
 ♦ —  
 ♣ AQ10976432

**SOUTH**  
 ♠ J102  
 ♥ AQ54  
 ♦ KQ1098  
 ♣ J

Both sides were vulnerable.  
 The bidding:  
 East South West North  
 Pass 1 ♣ Pass 1 ♠  
 5 ♣ Pass Pass 5 ♣  
 Pass Pass DBL Pass  
 Pass Pass  
 West led the club five.

**Solution to Friday's Puzzle**

S	A	I	G	A	S	P	I	R	I	T	S
P	E	N	I	C	I	N	G	I	N	G	H
A	S	H	S	I	R	O	C	O	C	A	L
S	O	R	T	S	M	I	K	E	P	L	A
T	R	O	A	S	A	M	S	R	E	I	C
S	P	R	A	I	N	S	P	R	I	N	G
O	P	I	N	E	C	I	T	I	N	G	S
H	A	N	O	S	A	I	T	I	L	A	N
E	V	E	R	Y	C	H	I	N	G	E	N
T	O	N	S	I	O	N	S	E	R	O	N
A	C	T	A	M	O	R	A	N	S	U	S
L	A	R	E	S	A	N	O	P	E	N	A
S	T	I	B	I	N	E	S	P	I	N	G
S	C	I	O	N	I	S	S	I	T	I	S

**DENNIS THE MENACE**

IS DAD MAD AT YOU, MOM? HE'S WORKIN' IN THE GARAGE AN' HE'S GOT IT LOCKED!

**JUMBLE** - that scrambled word game

Unscramble these four jumbles, one letter to each square, to form four ordinary words.

HELAT  
 GOBUH  
 CLEMUS  
 LYBBAF

Print the SURPRISE ANSWER here

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Dropouts DON'T MAKE IT

THIS MIGHT BE A SOUND REASON FOR LEAVING SCHOOL.

Saturday's Jumble: LADLE TOXIC CORNEA SLOUCH  
 Answer: What the photographer said to the outfielder who was about to catch a fly—"HOLD IT!"

**BOOKS**

**LOS ANGELES**  
*The Architecture of Four Ecologies*  
 By Reyner Banham. Harper & Row. 256 pp. Illustrated. \$6.95.  
 Reviewed by Roger Jellinek

LOS ANGELES does not get the attention it deserves," writes Reyner Banham. "It gets attention, but it's like the attention that Sodom and Gomorrah have received, primarily a reflection of other people's best consciences." And yet, says Banham, an English architectural critic who has made a career out of confounding the orthodox by his disciplined and acerbic celebrations of technology and popular forms, would agree. With some irritation he writes that "insofar as Los Angeles performs the functions of a great city, in terms of size, cosmopolitan style, creative energy, international influence, distinctive way of life and corporate personality... then that same extent all the most admired theorists of the present century, from the futurists and Le Corbusier to Jane Jacobs and Sylvia Moholy-Nagy, have been wrong."

Far from being a vast amorphous parking lot laced with freeways, Los Angeles for Banham has a unique and perfectly comprehensible form: the four ecologies, the interaction of Angelenos with the beach, the foothills, the plain and the freeways, are not the results of a centrifugal "sprawl city," but of specific historical events. First there were the original Spanish-Mexican ranchos, then the network of water mains and suburban railroads of the 1870s, which introduced random real-estate speculation and commuting. The freeways, often regarded as the beginning and the end of Los Angeles, only started replacing the railroads in 1939—in imitation of New York.

Meanwhile, continental railroad competition in the 1880s (a single silver dollar from Kansas City to L.A.) spurred a flood of immigrants from the Midwest; by contrast, Banham notes, San Francisco was plugged in from the sea. Los Angeles, writes Banham, "is the Middle West raised to flashpoint, the authoritarian dogmas of Ebenezer Howard and the regional revolt against them colliding at critical mass: under the palm trees. Out of it comes a cultural situation where only the extreme is normal."

The true language of Los Angeles is the language of movement, says Banham. "So, like earlier generations of English intellectuals who taught themselves Italian in order to read Dante in the original, I learned to drive in order to read Los Angeles in the original." His first drive in the book is along the 70 miles of the beach. He picks out two vernacular architectures along the beach, the pervasive Spanish Colonial with its great refinement by Irving Gill, and the wooden California bungalow style derived from the arts-and-crafts Greene Brothers.

In the ecology of the foothills is the "fat life" of Hollywood and Beverly Hills, "epitomes of the great middle-class suburban dream." Banham writes hesitantly of his habitat: "Where would the private eyes of the forties have been without laurel shrubberies to lush in, sweeping front drives to turn the car in, terraces from which to observe the garden below, massive Spanish Colonial Revival windows to hold on to, or

rambling split-level ranch-house plans in which to lose the opposition, and random rubble fire place walls to pin suspects against, and gigantic dream bedrooms from which the sun may be seen rising in heart-breaking picture-postcard splendor over the Hollywood Hills... and the essential swimming pool for the bodies. It was in this kind of residential landscape that the very real Bugsy Siegel was robbed out."

Banham follows up the private house chapter with a study of the public landscape. A plea to the Los Angeles hamburger (basically like any other in meat and bun, but utterly unlike in the eclecticism of its garnishes) of restaurant architecture. Both burger and building represent "the most extravagant myths of post-war fiction," all concrete boxes garnished outside with a salad of symbols and inside with Custom Decorator interiors. The ultimate being the "plush underdressed" Gourmet "Total Meal Experience," or its ranch-house variant, Char-Broiler. Frugal, with "savage" surfaces that have the same implications of masculinity as an unshaven chin.

But none of Banham's wit and savvy can convince me that his third Los Angeles ecology has anything but historical explanation to recommend it. He is obsessed with the "central fact" of 1947, the so-called "central fact" where the crudest urbanists and most fundamental aspirations are created, manipulated and, with luck, satisfied. To know that once upon a time all the railroads crossed at Watts but that the last train went through there in 1911, is to know that the city's "less depressing Banham makes a pass at celebrating the 'planning's dream of urban homesteading' but readily agrees that "this is where Los Angeles is most like other cities: Anywhereville/ Nowhereville." The central plain is finally only the podium for the fourth ecology, "Artopia," the freeway system, "one of the greater works of man." So enthusiastic is Banham that (with an eye to atrocious British driving habits) he even tells us exactly how to navigate them.

Everybody loves a lover. Is Reyner Banham simply infatuated with Los Angeles, or does he have a case? The question is itself what Banham is driving at. Underlying his supercharged sallies and speeding indulgences is a conviction that Los Angeles needs no "case." It is a unique city, a model to itself. It's an uncomfortable model for the beaux arts people and the urbanologists. Los Angeles has terrible social and environmental problems, they complain. Planning is the answer. But planning, Banham argues, has been tried in Los Angeles and it resulted either in "slimy places for socially unindie people" or in most questionable eclecticism. And the typical attempt to impose a focus by renewal of downtown Los Angeles, "like the original pueblo, lacks any great middle-class suburban dream." He is profoundly irrelevant to the Los Angeles way of life. What Los Angeles needs and deserves is informed assessment and sophisticated criticism, not the projections of patronizing Eastern illusions.

Mr. Jellinek reviews books for The New York Times.

**CROSSWORD** By Will Weng

ACROSS	47 African amulet	11 Macaw
1 Where Fort-Lamy is	50 Ending with astro and astro	12 English poet
5 Stadium feature	51 Took off	13 Siberian antelope
9 Compared with	52 Contestant's goals	20 Coffee-makers
13 Son of Jacob	53 Open	21 Stilled
14 A votre	54 Necessaries	25 Self-important
15 Saarinen	55 Arabias capital	26 Numerical prefix
16 Olympian	56 Indian corn	27 Thin
17 On the up	57 Opera feature	28 Vestige
18 Hospital department	58 Exclamation of disgust	29 Exaggerate
19 Tropical sleeping	59 Being Sp.	30 Schedule
22 Western state, Abbr.	60 Very much	31 Callants
23 Old name for Ulan Bator	61 Silent one	35 Pitch's companion
24 Punta	62 Protagonist	40 Famed puppeteer
26 Kind of number	63 Relative of sis.	42 Pass
28 Sleep like	64 Botherome	43 Wild ox of East
30 Touching gently	65 Teases	44 Ancient galley
32 Go — for	66 Prefix for a subcontinent	47 Comprehend
36 Waste allowance	67 Vint	48 Indian V.I.P.
37 Sharp turn	68 Amendment XXI	49 Insubstantial
38 Counter order	69 Neighbor of Okla.	53 Impasse
39 Sponsorship	70 Wading bird	54 Parisian night
41 Fragment		55 Motel
44 Colours		56 Work on mes.
46 Baked desserts		57 Wedell and
		58 Unrained



# Stewart Scores Easily In British Grand Prix



GREAT SCOT—Jackie Stewart kisses trophy after winning British Grand Prix.

LIVERSTONE, England, July 18 (UPI)—Scottishman Jackie Stewart won the 1971 British Grand Prix yesterday in the 100,000-Porsche Formula-One Grand Prix and lengthened his lead in the world drivers' championship.

# Merckx Wins Last Leg, Takes 3d Straight Tour

By Michael Katz  
BRUXELLES, July 18 (NYT)—Eddy Merckx, the 21-year-old Belgian, won the 1971 Tour de France yesterday, taking the 20th and final stage in a 200-mile ride that covered the 11,350-mile race.

# Crampton Ties Nichols for Lead In Western Golf

CHICAGO, July 18 (AP)—Bruce Crampton and Bobby Nichols shared the lead after the third round of the \$150,000 Western Open golf tournament yesterday with scores of 203, five-under-par.

# Ellis of Pirates Hurls 13th Victory in Row

NEW YORK, July 18 (UPI)—Righthander Dock Ellis hauled in his 13th victory of the season yesterday as the Pittsburgh Pirates routed the San Diego Padres 9-2.

# Friday's and Saturday's Line Scores

Table with 4 columns: League, Team 1, Team 2, Score. Includes entries for American League, National League, and various minor leagues.

# Cub Rookie Supplies Hitless Relief

NEW YORK, July 18 (AP)—Rookie reliever Ray Newman struck out three men in the fifth inning with the tie-breaking run in scoring position Sunday and pitched hitless ball the rest of the way as the Chicago Cubs defeated the Montreal Expos 6-4.

# A's Blue Wins 18th On 1-Hitter Over Tigers

OAKLAND, July 18 (UPI)—Vida Blue of the Oakland Athletics pitched a one-hitter over the Detroit Tigers Friday night to win his 18th game of the season in 18 decisions, 4-0.

# WBA Ranks Ali As No. 1 Contender

PHILADELPHIA, July 18 (UPI)—Muhammad Ali is back in the World Boxing Association ranking as No. 1 contender for the first time since he refused military induction in 1967.

# Keino, Matzdorf Score; Ethiopian's Bizarre Run Is U.S.-Africa Highlight

DURHAM, N.C., July 18 (UPI)—The rabbit ran too fast for Kipkoge Keino yesterday, but Moses Itier found the perfect pacer to rewrite one of the memorable chapters in international track and field. One day after embarrassingly misjudging the finish line in the 5,000-meter run, the diminutive 24-year-old Itier saved his big kick for the last 440 yards in the 10,000-meter run and outraced America's No. 1 long-distance runner, Frank Shorter.

The last lap of the 10,000 was a classic and produced loud, spontaneous cheering from the 34,000 fans in Wallace Wade Stadium, the largest single-day crowd to attend a major track meet in the country this year.

It capped an exciting two-day Africa-United States dual meet that saw a world record in the women's mile relay, the fastest time in the world this year in the intermediate hurdles, 7-foot-4-inch high jump by Pat Matzdorf, the world record-holder, and a career best javelin performance of 275-8 by Gary Feldman, the National Collegiate champion.

While Keino ran alone on route to a sensational time of 3 minutes 37.5 seconds in the 1,500-meter run, the equivalent of a 3:34 mile, Shorter, the national six-mile champion, led Itier on his heels for almost all of the more than 24 laps of the 10,000.

Friday, Itier, an Ethiopian, lost count of the laps in the 5,000-meter run and challenged Steve Prefontaine, his American rival, one lap too early, in one of the most bizarre windups to a major race in years.

Yesterday coaches shouted times and commands on the track in Amharic, the Ethiopian dialect. Itier waited for the last lap, rushed past Shorter and quickly sprinted to a 15-yard lead.

But at the top of the last turn, in a reflection of his character and determination, Shorter began closing the gap on a smaller rival in the stretch, with 50 meters left, Shorter reached Itier's side. It seemed, for a second, that he would kick past him. But Itier, running with a minimum of rest and in humid, 91-degree heat, responded to the challenge, accelerated again and kicked to a five-yard victory in 28:52.

In Friday's 5,000 meters, Itier suddenly sprinted to a 100-meter lead over Prefontaine with 600 meters left and seemed headed for a smashing triumph. But as the gun sounded for the last lap, Itier mysteriously slowed and then stopped, as if he had finished the race, and Prefontaine passed him on the turn and coasted to a comfortable victory over Paul Moses, another Ethiopian.

After 15 minutes of hectic consultation conferences and, for a few moments, uncomprehending charges and counter-charges, it was discovered that Itier had, indeed, run his sprint lap too early.

The metric mile confirmed Keino's status as one of the world's greatest runners. The Olympic champion outdistanced two Americans, none, however, named Liqueur.

Considering the temperature at race time, the soft, spongy synthetic track and the absence of any formidable competitors, Keino's time was remarkable. The world record, held by Jim Ryan, is 3:33.1.

Keino came in this international meet in search of Marty Liqueur, America's top miler, and a world record in the 1,500. Liqueur, however, has been training in Europe for the Pan American Games later this month, so Keino decided to try for the record with a little help from a friend, Natthal Bon, a Kenyan countryman.

Keino, a half-miler, was entered officially as a non-scoring and unofficially as Keino's rabbit for the first half-mile. Keino wanted a 1:58 half-mile but Bon, apparently too eager to please, rushed away and covered the first 440 in 54.4.

When Bon dropped off the track at the 880-yard mark and waved Keino on, the clock read 1:58.9, almost unbelievable for a normal mile pace but understandable in a paced race.

The United States men and women easily won the team competition—the men by 111-78, the women by 79-53—but the Africans produced a significant measure of respect for next summer's Olympics off their showings this weekend.

John Akil-Bua, a 21-year-old policeman from Uganda, clocked 49 seconds in a flawless performance in the 400-meter intermediate hurdles. Equally as impressive in victory was Matzdorf, the 21-year-old Wisconsin student, who set a world record of 7-8 1/4 in the high jump two weeks ago and displayed precision, timing and execution in clearing 7-4 on his first attempt yesterday.



MORE RACES ARE WON ON FIRESTONE TRES THAN ON ANY OTHER BRAND. WHAT WE LEARN ON THE TRACK WE BUILD INTO THE TIRES YOU USE ON THE ROAD. Firestone STRONG TIRES.

# The Scoreboard

Table with 4 columns: League, Team 1, Team 2, Score. Includes entries for American League, National League, and various minor leagues.

Mary Blume

Mme. Florette will not talk about her customers. She will mention that she dresses a Baroness de Rothschild, though she doesn't say which one, and several of the Mrs. Rockefeller.

Discretion Is the Better Part of Vending

PARIS—In the most literal sense, the job of a vendeuse in a French fashion house is to sell. But a top vendeuse does not speak of selling a dress to Mme. X. Instead she says, more accurately, that she dresses Mme. X. for it is the vendeuse who not only tells the client what she has got her money's worth, but also that the dress she wears into the light of common day is the best possible reflection of the couturier's ideas.

late Mrs. Margaret Biddle, who could order the same dress in a dozen colors. She also admires Barbara Hutton, who has total dress recall and who, once after a collection, ordered 84 numbers without even adding to see them a second time. Occasionally a customer will order a dress and change her mind about it: If she is a good customer, the house absorbs the expense.



Mme. Florette at work at the house of Courreges.

Florette Chelot. The use of the last name in couture is like a Bigelow on the floor. As top vendeuse at Balenciaga, Florette earned enough to employ two assistants, Anita and Betsy (other houses usually pay the assistants' salaries, but Balenciaga didn't. Nor did he pay for the black clothes his employees had to wear). Devoted still to Balenciaga, Florette had her had moments, too: "Once he made me cry because I'd sold a dress he didn't approve of to a friend of his. Then he accused me of having a terrible temper because I had cried."

PEOPLE: Princess Anne Leaves the Hospital

Princess Anne left the hospital where she underwent an operation for removal of an ovarian cyst 10 days ago. The 20-year-old daughter of Queen Elizabeth II looked in high spirits as her brother, Prince Charles, picked her up Saturday in his new Aston-Martin sports car and they sped off for Windsor Castle in the country. Several hundred people—including many foreign tourists—waited outside to get a glimpse of her. Wearing a brightly colored dress, she emerged in a happy mood, shook hands with the nursing staff and waved to the cheering crowd. Leaning out the windows of the King Edward VII Hospital, were nurses and patients who joined in the cheers as she set off.

Princess Anne as she about to drive off for 10 days in London.

James Reston, vice president and columnist of The New York Times, currently on a visit to China, underwent an operation Saturday night for removal of an appendix in Peking's Anpei Hospital. "Our operation is that the operation is very successful and he is in excellent care," a spokesman for The Times said. The spokesman said his information came in a cable from Reston. She and Reston, a native of Clydebank, Scotland, entered China on July 17.

A Johannesburg girl in school has turned peanut butter at the school because they are considered sexual stimulants. A report of the Nutrition Advisory Board of the South African Health Department said the girl had been ordered by the school to stop eating peanut butter. The girl, identified as a 12-year-old, said the organization said she would not eat peanut butter. The girl's mother said she would not eat peanut butter. The girl's mother said she would not eat peanut butter. The girl's mother said she would not eat peanut butter.

Police in the village of St. Ives, Cambridgeshire, England, have won the long and bitter battle of Pig Lane. Officers in the new police station in mid Pig Lane demanded that the name be changed. It was pregnant, they said, with provocation. But locals put their feet down. They argued Pig Lane had historical connotations. Compromise has at last been reached. That part of the lane running past the police station will be known as Pig Lane. The rest is still Pig Lane.

Actor Nicol Williamson, 34, and actress Jill Townsend, 26, were married Saturday in a civil ceremony at London's Chelsea Register Office. It was an informal affair. Williamson wore a short-sleeved white shirt and blue slacks. Miss Townsend was dressed in a floral maxi skirt, blouse and floppy sandals. In addition to a flower, she held a cigarette.

From North Las Vegas, Nev., comes a report that Mrs. Barbara Watson was slapped by her dentist because, she says, she cried "ouch" when he put an instrument into her mouth and touched a sensitive tooth.

The dentist, Dr. Donald Hitt, acknowledges that he slapped Mrs. Watson, a 23-year-old telephone operator. "She acted like a 3-year-old child," he declared. "If she acts like one, I'll treat her like one."

Municipal Judge Jay Baines found that the dentist's treatment of his patient went beyond the bounds of his professional duty. The judge slapped a \$50 fine on the dentist, Dr. Hitt, appointed

CLASSIFIED ADVERTISEMENTS

ANNOUNCEMENTS, EDUCATION, PERSONALS, SERVICES, AUTOMOBILES, CAR SHIPPING, BAGGAGE SHIPPING, INTERNATIONAL HOUSE.

HOLIDAYS & TRAVEL, BUSINESS OPPORTUNITIES, REAL ESTATE TO LET, SHARE, EXCHANGE, PERSONNEL WANTED, AIR-INDIA AIR-HOSTESSES, BILINGUAL EXECUTIVE SECRETARY, EUROPE, HELP WANTED.

PERSONNEL WANTED, AIR-INDIA AIR-HOSTESSES, BILINGUAL EXECUTIVE SECRETARY, EUROPE, HELP WANTED.

TRIBUNE TRAVEL GUIDE HOTELS-RESTAURANTS & NIGHTCLUBS-SHOPS & SERVICES. THE PLYMOUTH HOLIDAY INN, HOLIDAY INN, DA MEO PATACCA I, DA FERAMOSCA I.

Vertical text on the right edge of the page, including 'Princess Anne' and 'PEOPLE'.